

CHAPTER 3

PAY AND ALLOWANCE STRUCTURE

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3.1 Background

Since the Malaysia Armed Forces was formed in 1933, the pay and allowance scheme was not reviewed until 1967. In 1968, a Committee which appointed by the Cabinet consist of 5 members chaired by Tan Sri Sheikh Abdullah bin Sheikh Abu Bakar was directed to review the Malaysian Armed Forces pay and allowance structure for the first time. Subsequently the reviewed has been done by the Interim Award reviewed in 1972 (from 1 Jan 1970 until 31 Dec 1975), the Report of Cabinet Committee in 1976, New Remuneration Scheme introduced in 1992 and revised in 2003. The personnel in the Armed Forces are now paid according to the following Schemes:

- a. The Federation Army (Pay and Allowances) Regulations 1961.
- b. Interim Review 1968.
- c. Cabinet Committee Report 1976.
- d. New Remuneration Scheme 1992 (SSB).

3.2 Pay Structure

The pay structure in the Army based on rank and seniority and not according to academic qualifications. The higher a soldier rank, the better will be his salary. In 1968 the pay structure introduced for "Other Ranks" (Warrant Officer I and II, Staff Sergeant, Sergeant, Corporal, Lance Corporal and Private or Equivalent) provided marginal increases in salary for the married personnel. Salaries were progressive reviewed until the New Remuneration Scheme (SSB) was implemented in 1992. Currently basic monthly the basic salary and housing allowances is paid according to 'Buku Panduan Gaji' of

Malaysian Armed Forces dated 1 December 2002. The basic pay drawn by the soldiers are as follows.

3.2.1. Basic Pay

Basic Pay for other ranks according rank is as follows.

(1).	Privates	-	RM 620.00
(2).	L/Corporals	-	RM 823.28
(3).	Corporals	-	RM 886.20
(4).	Sergeant	-	RM 1064.07
(5).	Staffs Sergeants	-	RM 1223.79
(6).	Warrant Officer 1	-	RM 1406.50
(7).	Warrant Officer 2	-	RM 1539.60

3.2.2. Housing

Under the existing regulations all married personnel are provided with quarters when such accommodation is not available, then a housing allowance for rent reimbursements will be paid under the pay and allowance regulations. “Other Ranks” personnel who are bachelors are accommodated in barracks which are provided free of charge. The current rates of housing allowance for the married Other Rank personnel are as follows:

Table: 3.1 Housing Allowances Rates

Rank	Rate per month		
	Peninsular Malaysia	Sarawak	Sabah
Warrant Officer 1 and 2	RM 300.00	RM 360.00	RM 480.00
Staff Sergeant	RM275	RM 330.00	RM 435.00
Sergeant	RM275	RM 330.00	RM 435.00
Corporal	RM 230.00	RM 250.00	RM 335.00
Lance Corporal/ Private or equivalent rank	RM 230.00	RM 250.00	RM 335.00

3.2.3. Technical Allowance

According to existing regulations, service personnel who have a special skills/qualifications such as Ammo Technical course and many others qualifications recognized by the Army are paid technical monthly allowances beside their salaries. The award of these additional allowances is designed to act as an inducement to "Other Ranks" personnel to acquire extra skills or qualifications, which are essential for the proper functioning of these Units in the Army.

3.2.4. Band

Basically the pay band introduced in the Army is a comprehensive pay scheme under the Cabinet Committee for "Other Ranks". This scheme have 5 different band which started from band 1 who is the lowest pay to band 5 which is the highest pay ranking. Other Ranks Personnel are paid according to their expertise and trade. The highest trade and expertise personnel are paid band 5 and for those who is only have normal expertise they are paid as band 3 salaries. Beside that, personnel who just completed the basic training and do not have any expertise they are paid under band 1.

3.3 Others Allowances

3.3.1. Rations Allowances

All members of the Armed Forces are entitled for free ration while they are on duty and training for more than 24 hours. During the operation they will be issued with pack rations and fresh rations alternately on a rotation basis. When the soldiers are on duty away from supply units, they will be given cash feeding for RM 6.62 as ration allowance to purchase food on their own. Bachelors who are staying in the barrack will be provided with partially subsidised meals for which they only pay RM 1.95 per meal through monthly salary deduction.

3.3.2. Mileage Claims Allowance

All Army personnel who are using their own transport to travel from home to workplace are eligible for mileage claim as stated in the existing regulations. The claims are paid monthly according to number of days they turn up for duty in the workplace. Personnel who are on outstation duties using their own vehicles are also entitled to mileage claims based on individual entitlements.

3.3.3. Official Duty Allowance

An Official Duty Allowance, also known as lodging and meal allowance are paid when the soldiers are on duty away from their home (outstation) for more than 24 hours when messing or accommodation or both facilities are not arranged by the organization.

3.3.4 Overseas Allowance

For personnel serving in missions or undergoing overseas training, they are eligible for overseas allowances, where the rates paid vary according countries in which they are serving.

3.3.5. Special Service Allowance

Personnel attached to Commando Units and Para troopers units who must have a high standard of health and physical fitness and need to undergo a very rigorous training programme are paid special service allowances. These allowances are paid to them as an inducement for serving in these units and for the purchase of extra nutritious food to maintain their physical fitness.