Sunday - 23 July 2006 PUTRAJAYA: Employers hiring Indonesian maids since last month will not be allowed to renew their domestic helpers' work permits unless a contract of employment has been signed between the two parties.&#65533; Employers must also open a savings account to deposit the helper's monthly wages and buy a mandatory annual insurance policy to protect the maid.&#65533; If they fail to do so, the Government will not renew the annual work permit.&#65533; There are currently 320,000 households with foreign maids in the country but the new ruling applies only to those hiring fresh Indonesian maids.&#65533; Labour Department director-general Datuk Ismail Abdul Rahim said employers who started hiring fresh maids from Indonesia since June would be required to produce the maid&#65533;s bank passbook when applying to renew the work permit.&#65533; Under the new ruling, deductions to the maid's wages would not be allowed unless permitted by the Labour Department.&#65533; &#65533;If deductions are done without the approval of the department, employers can be fined up to RM10,000 as provided for under Section 99A of the Employment Act 1955,&#65533; he said.&#65533; The ruling follows the signing of the Memorandum of Understanding between Malaysia and Indonesia last month promising better working arrangements for Indonesian maids.&#65533; &#65533;The terms and conditions should stipulate the monthly salary, working hours and leave while other terms can be included as agreed by both parties,&#65533; he added. .&#65533; He said that a copy of the signed contract form must be given to the maid.&#65533; &#65533;Employers need not engage third parties, including lawyers, to draft the contract,&#65533; he said, adding that sample contract of employment forms were available.&#65533; Ismail said the forms plus additional information on the new ruling could be obtained at the Labour Department here and at all the 38 district-level departments in the peninsula. &#65533; With the contract, Indonesian maids can now take grievances against employers to the Labour Court, where employers are liable to a fine and jail if they do not abide by the contract. &#65533; On deduction of salary, Ismail said the department would allow it only if the employer showed proof of incurred expenses during the process of bringing the maid into the country.&#65533; &#65533;Even if deductions were allowed, they should not be over 50% of the monthly salary and the necessary receipts must be presented to the department," he told The Star.&#65533; Previously, at least five months of a maid&#65533;s salary were deducted for expenses incurred by the maid agency for bringing in trained maids, which sometimes also included the service charge imposed on employers by the agency.&#65533; &#65533;It is best to get a savings account without an ATM card and for the employer to keep the savings book in a safe place to prevent maids from running away,&#65533; he said, adding that the account would give the maids some privilege to withdraw their money anytime but with the employer&#65533;s approval.&#65533;