

POLICY BRIEF

Strengthening Malaysia's Extended Paid Childbirth Benefit for Families

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|Executive summary

The proposed Extended Maternity Leave Assistance (EPCB) under the Social Security Organisation (PERKESO)'s Employment Insurance System (EIS) marks a pivotal shift in recognizing maternity as a critical life-cycle risk and strengthening Malaysia's social protection architecture. Global evidence indicates that well-designed paid maternity leave can improve women's labour force attachment and both maternal and child health outcomes. However, the policy design – whether the duration, wage replacement, and the extent to which it is father-inclusive – has implications for gender equality and the career penalties faced by women. The policy brief highlights potential gaps in the policy design and

proposes several enhancements, specifically an extended paternity benefit for insured male workers, adopting a “Maternity Plus” model that complements cash benefits with maternal and child services as well as a broader social insurance agenda for families and children under a proposed “Lindung Keluarga” framing. These recommendations strengthen the policy by addressing financial burdens, care responsibilities, and gender inequalities associated with childbirth and provision of care in early childhood.





| Background

On 1 May 2026, Labour Day, the Ministry of Human Resources (KESUMA) announced an extended maternity benefit (EPCB) under PERKESO for eligible mothers, providing income replacement equivalent to 80 per cent of insured wages for one additional month. Prior to this, maternity-related income risks were largely managed through employer-provided arrangements

under the Employment Act 1955, which can unintentionally concentrate costs on firms and reinforce discrimination against mothers. International labour standards, including the International Labour Organisation (ILO) Maternity Protection Convention, 2000 (No.183), emphasise that such benefits should be financed through compulsory social insurance or

public funds, and that individual employers should not be solely liable without agreement. **The proposal to introduce maternity leave assistance through the Employment Insurance System (EIS) signals a shift toward treating maternity as a shared societal responsibility**, consistent with the spirit of the ILO Maternity Protection Convention, 2000 (No.183).

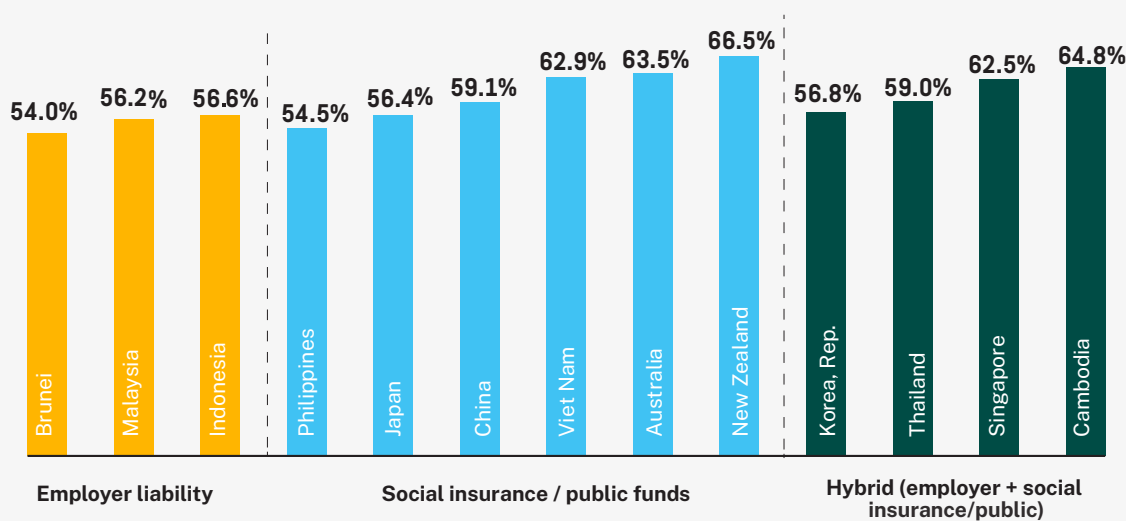
As such, **the EPCB is part of a social insurance approach that enables redistribution of maternity costs from individual mothers and their employers to the wider contributing labour force, reducing disincentives to hiring or promoting women of childbearing age**. This framework, supported by ILO guidelines, explicitly highlights financing design as a mechanism to prevent discrimination. Furthermore, it minimises the direct costs for businesses, which is particularly beneficial for the micro, small and medium enterprises (MSMEs) that comprise 97.4 per cent of Malaysia's economy and often

face significant barriers to implementing family-friendly workplace policies, including adequate maternity and paternity leave.¹

In Southeast Asia, most countries are already transitioning away from pure employer liability models towards hybrid or social insurance-based financing, while countries like Vietnam and the Philippines have also adopted fully pooled systems. As illustrated in **Figure 1**, countries that rely more on social insurance or public financing mechanisms tend to exhibit higher female labour force participation. This reinforces the importance of approaches that promote risk-sharing when supporting women's employment outcomes. As such, Malaysia's proposed EPCB aligns well with this regional trend.

1 Family-friendly policies (FPP) are policies that offer the time, resources and services that parents and caregivers need to balance work and family life, and include parental or care leave, maternity and breastfeeding support, workplace childcare, child benefits and adequate wages.

Figure 1: Female labour force participation by country and maternity protection financing modality



Authors' compilation from national Labour Force Surveys/statistical agencies: DEPS Brunei; DOSM Malaysia; BPS Indonesia; PSA Philippines; Statistics Bureau of Japan; National Bureau of Statistics of China; NSO Viet Nam; ABS Australia; Stats NZ; Statistics Korea; NSO Thailand; MOM Singapore; and NIS Cambodia.

The EPCB is also an example of enhanced maternity protection, with positive impacts on both mother and child. Global evidence shows that well-designed maternity protection policies, particularly those that provide adequate duration and income

replacement, can generate gains across maternal health and infant wellbeing. The first 1,000 days represent a uniquely sensitive period characterised by rapid brain development in children. The Lancet series on early childhood development underscores that

investments in this period have disproportionately high returns, influencing health, learning ability, productivity, and lifetime earnings².

Childbirth is a major life-cycle shock that can exacerbate the risk of poverty due to simultaneous increases in expenditure and reductions in income. **Income protection during this period therefore acts as both a labour market intervention and a child poverty prevention measure.** In fact, paid maternity (and parental) leave is a critical enabling policy for the first 1,000 days as it creates the time and financial security needed to facilitate caregiving and parent-child bonding. For example, paid parental leave policies related to childbirth are associated with higher breastfeeding rates, which contribute to child nutrition, immune protection, cognitive development, and emotional bonding.

A well-designed paid maternity leave increases the likelihood of women remaining employed or returning to work after childbirth. Based on an evaluation study in Spain, women who took paid maternity leaves were more likely to be employed one year after childbirth³. At the aggregate level, maternity leave policies can support women's labour market participation by enhancing job attachment and reducing exit from the workforce. Extending maternity leave in particular facilitates a nurturing environment that helps regulate the infant's stress response system, reduces toxic stress, and supports healthy emotional and cognitive development.

² Draper, C.E., et al. (2024). *The next 100 days: building on early investments for the health and development of young children*.

³ Vargas-Prada, S., Garcia, A. M., Ronda, E., Estarlich, M., Ballester, F., & Benavides, F. G. (2018). *Influence of paid maternity leave on return to work after childbirth*.

Policy considerations for the EPCB



1. Exclusion of worker groups

Anchoring the policy under EIS risks excluding large groups of workers, such as self-employed individuals and foreign workers, unless deliberate pathways are created for them to transition to formal employment. Public sector workers are also excluded from the EIS. Current EIS coverage rules already exempt segments of the labour force from statutory contributions. Only 28 per cent of women aged 15-45 years old (about **2.27 million female workers**) are covered under EIS.

While social insurance schemes are not expected to achieve universal coverage immediately, complementary measures are needed to extend maternity protection progressively to workers outside contributory systems. Based on the policy announcement to date, there are several potential exclusions in the implementation of the extended maternity benefits, as outlined in **Table 1**

Table 1: Category of workers potentially excluded under EPCB

Type of workers	Total number of workers ⁴
Male workers registered under EIS	3.83 million
Self-employed workers , including employers, business owners and partners, exempted from EIS contributions ⁵	3.74 million
Public sector workers , including statutory bodies, exempted from EIS contributions	1.30 million⁶
Unpaid family workers who are often invisible in contributory registries.	0.41 million
Foreign workers who are covered for invalidity but exempted from EIS contributions	2.51 million

Source: DOSM Labour Force Survey 2025

4 DOSM Labour Force Survey.

5 Informal workers are also excluded from EPCB coverage and are typically outside national social insurance, payroll and tax systems. Total number of workers in informal employment tends to overlap across the different categories and excluded from table to avoid double counting.

6 Parliamentary written reply, Dewan Rakyat, 2025. The statistics reported excluded the armed and police forces.

2. Adequacy of the extended maternity benefits

The proposed benefit aligns with international benchmarks for social security systems, which typically recommend maternity income replacement of at least two-thirds of prior earnings. At an 80 per cent wage replacement rate, the scheme represents a relatively generous level of support by international standards. For most workers covered under PERKESO, the average beneficiary is estimated to receive approximately RM2,200-RM2,400 per month, which could represent meaningful support to help offset additional costs associated with childbirth and early childcare during the maternity period⁷.

However, it is important to consider the implications of the insured wage ceiling of RM6,000. Higher-income contributors will face a lower effective replacement rate. Based on the current wage distribution, more than 15 per cent of contributors earn above the ceiling and will therefore receive replacement rates that fall below the nominal 80 per cent.

For example, a worker earning RM10,000 per month would receive benefits based on the capped insured wage of RM6,000, resulting in a monthly payment of RM4,800 (80 per cent of RM6,000), rather than RM8,000 (80 per cent of actual earnings). This translates to an effective replacement rate of 48 per cent, rather than the prescribed 80 per cent. While such caps are standard in contributory social insurance systems and help contain costs, they introduce complexities in equity considerations, particularly for middle and higher-income contributors. As such, a potential consequence is that these lower income replacement rates can deter insured workers in these income classes from taking up the extended maternity benefit, especially if they are the main income earner in the household.

3. Sustainability of funds

Based on annual live births in Malaysia and estimated PERKESO coverage rates of the working population, UNICEF estimates that the total annual cost of the proposed maternity benefit extension would range between **RM252 million and RM290**

⁷ UNICEF estimates based on DOSM Labour force Survey 2025 Data and PERKESO Data: Visualisation Details – Labour Market Exchange.

million⁸. This corresponds to an effective cost rate of approximately 0.10-0.11 per cent of insured wages, or roughly one-quarter of total EIS contributions collected annually.

Given this cost profile, the benefit extension appears fiscally manageable within the current financing structure. Existing annual EIS contribution inflows are sufficient to absorb the additional expenditure without requiring immediate use of accumulated reserves. Moreover, PERKESO's accumulated reserves under the EIS Fund, estimated to exceed RM4 billion in 2026, provide a substantial buffer to absorb cyclical economic shocks and support labour market stabilisation during downturns, as demonstrated during the COVID-19 pandemic. However, long-term sustainability must be viewed through the lens of broader structural factors, including:

- **Demographic trends**, particularly the impact of declining fertility rates on the contributor base
- **Expansion of coverage**, including strategies for the potential inclusion of currently uncovered groups under EIS
- **Future benefit enhancements**, including future adjustments to policy duration or wage replacement rates



8 UNICEF estimates based on DOSM LFS Data and PERKESO Data in 2025.

4. Potential gendered consequences

The EPCB may alleviate some of the short-term economic impacts of childbirth on women's employment, but its ability to address the longer-term child penalty is likely to be limited. The child penalty refers to 'the percentage by which women fall behind men due to children'⁹. This arises from several key factors, including statistical discrimination against mothers in the labour market, the loss of human capital closely associated with women's time spent outside the workforce due to childbirth or the need for reduced or flexible working hours, as well as a lack of childcare support.

9 Bahar, E., Bradshaw, N., Deutscher, N., & Montaigne, M. (2025). Children and the gender earnings gap: Evidence for Australia. *Economic Record*, 101(332), 41–75.



This is because existing social and gendered norms around care lead to a greater gender specialisation following childbirth, in which mothers become closely associated with care. On the other hand, this results in fathers spending less time on household responsibilities, thus increasing their labour market participation and reaping higher returns in productivity and wage gains. Taken together, these contribute further to the child penalty for women, resulting in lasting impacts on women's earnings trajectories, labour market attachment, career progression, and overall economic security, reinforcing within-household wage gaps and the macro-level gender wage gap¹⁰.

Coupled with lack of affordable, accessible and quality childcare, women may in turn be forced to drop out of the workforce or reduce work hours to care for children as it may be deemed as the more 'affordable' option given their lower wages in a household. Given this context, there is scope to further strengthen the scheme to ensure that women fully benefit in ways that improve employment outcomes and alleviates care responsibilities in the long run, while also promoting a more equitable role for fathers in caregiving. This is driven by several identified design gaps:

- **A solely women-targeted scheme risks reinforcing women's roles as default caregivers within the household**

This can in turn contribute to longer-term disadvantages for women in the workforce. As such, a more gender-equitable approach to supporting women and children during the early stages of caregiving would be to ensure that fathers are also able to benefit from the EPCB provisions. This would help recognise the right of fathers to paternity or parental leave as well as the need for shared responsibility of caring for a child. Research indicates that the disproportionate responsibility for care upon women is already a major economic concern, with women's labour force participation rates for Malaysia among the lowest in the region and incommensurate with its level of development. Further, research also finds that care responsibilities remain a key barrier. In 2022, of the 3.1 million workers in Malaysia who were outside the labour force or who reduced their working hours due to 'household responsibilities', 93 per cent of them were women¹¹.

10 Andersen, S. H. (2018). Paternity leave and the motherhood penalty: New causal evidence. *Journal of Marriage and Family*, 80(5), 1125-1143. <https://onlinelibrary.wiley.com/doi/pdfdirect/10.1111/jomf.12507>

11 Lee, M.H. et al. (2024). Building a cradle-to-grave care economy. ISIS Malaysia. Policy paper. https://www.isis.org.my/wp-content/uploads/2024/06/Policy-brief-ISIS_230524_PDF-HR.pdf

- **The ‘child penalty’ remains in place, and risks being enhanced if women opt for longer maternity leaves.**

While the Employment Act 1955 provides adequate provisions to prevent the dismissal of pregnant workers during maternity, women already face discrimination in the workplace due to childbirth and maternity leave. In 2020, the Women’s Aid Organisation (WAO) surveyed over a thousand participants and revealed that 27 per cent of the respondents received comments or questions about their ability to perform certain tasks while they were pregnant, 23 per cent of the respondents said they received negative comments or questions about leaving work on time to get home to their child after maternity leave, while 31 per cent of the respondents indicated they were overlooked for new projects or opportunities upon returning from maternity leave¹². These are forms of workplace discrimination that may inadvertently force women out of the labour force in the long run.

- **The exclusion of fathers may unintentionally signify that women are ‘more costly’ to employ, thus impacting hiring and promotion decisions.**

A WAO survey found that employees did not only face gendered discrimination — in fact, women jobseekers also experienced questions about their marital status during interviews¹³. Women jobseekers may already be facing penalties because of a perceived future need by employers that they would have to take maternity leave and/or would require more flexible working hours due to care demands. It is important to note that at this juncture, the Employment Act 1955 currently does not include protection against hiring discrimination. As such, including fathers can reduce workplace gender discrimination and alleviate the effect on women’s career progression. Furthermore, a father taking paternity leave increases his household capital and boosts his relationship to his children, which can further improve the chances of domestic responsibilities being more equitably shared in the home¹⁴.

12 Women’s Aid Organisation. (2020). Malaysian Perspectives on Discrimination in the Workplace.

13 Women’s Aid Organisation. (2020). Malaysian Perspectives on Discrimination in the Workplace.

14 Youngcho Lee (2023) ‘Undoing gender’ or selection effects: fathers’ uptake leave and involvement in homework and childcare in South Korea, *Journal of Family Studies*, 29:5, 2430-2458

The EPCB in its current modality can be seen as a form of gender-responsive programming, however it may risk producing gender-discriminatory effects (see **Figure 2**). The progressive inclusion of fathers can move the scheme towards being gender-transformative, allowing for more equitable impacts, as it directly impacts the root cause: the fact that care is closely associated with women. By recognizing childcare as a shared parental responsibility, the scheme could potentially shift gendered norms, reduce the disproportionate care responsibilities placed on women, and mitigate the long-term career and wage penalties associated with motherhood.

Figure 2: Continuum of gender-responsive programming

Gender-discriminatory	Gender-unaware	Gender-sensitive	Gender-responsive	Gender-transformative
Purposefully incorporates design features that favour, or discriminates against, one gender in a way that leads to greater gender inequality.	Ignores gender differences and thereby unintentionally perpetuates and potentially worsens gender inequality.	Designed in a way that acknowledges and mitigates gender differences that may result in unequal access to or benefit from the programme.	Explicitly recognizes that women and girls face unique challenges and seeks to intentionally address their specific needs and vulnerabilities.	Supports changes in social relations and economic and political structures and systems that produce and sustain gender inequalities in the first place.

Source: UNICEF

5. The need to invest in family-friendly policies to complement the EPCB

Working mothers face a range of structural push factors that may ultimately drive them out of the labour market. As such, the EPCB’s impact on women’s labour force participation and retention can be strengthened beyond immediate financial support by linking with complementary workplace measures that better enable parents to reconcile caregiving responsibilities with work.

UNICEF advocates for a minimum package of workplace policies that supports parents while also contributing to positive early childhood development outcomes. While the implementation of family-friendly policies does not fall strictly under the jurisdiction of PERKESO, how the EPCB interacts with these policies can help inform design and enhance the retention of women in the labour force. This section provides an overview of the minimum package and highlights how the EPCB interacts with different policies.

1. Paid parental leave

Sufficient paid leave to all parents and guardians, in both the formal and informal economies, to meet the needs of their young children and children with disabilities. This includes paid maternity, paternity, and parental leave, and leave to care for sick young children.

While Malaysia has in place paid maternity and paternity leave, there is still a significant duration gap between the two. Notably, there are also no parental or care leave beyond the point of childbirth, which leave working parents with limited options to leave work to provide care, especially during emergencies. While the EPCB is primed for supporting childbirth and the immediate months after, there is space to consider supporting parental or care leaves in the future.

2. Breastfeeding and nutrition support

Supporting the ability of mothers to breastfeed exclusively for six months, as recommended by globally endorsed standards, and to continue breastfeeding for as long as they choose.

The EPCB's potential to enable longer maternity leave periods is likely to have positive effects on breastfeeding duration and continuity. However, in Malaysia, workplace breastfeeding support is limited as lactation facilities and breastfeeding breaks are not legally



mandated and are currently only encouraged through guidelines issued by the Ministry of Health (MOH).

3. Access to childcare and flexible work

Ensuring that all children have access to affordable, quality childcare and early education, and parents and caregivers have access to flexible work arrangements.

In Malaysia, early evidence an upcoming UNICEF study suggests that only 3 per cent of children aged 0-4 years old are enrolled in a licensed childcare centre (TASKA). The bulk of children are cared for informally, either by mothers or other family members, informal caregivers in the community or unlicensed childcare centres. Workplace childcare centres or childcare support by employers are also not mandated in law but are encouraged via tax reliefs. As a result, workplace childcare centres only make up 10 per cent of total childcare centres in Malaysia¹⁵. While income support can temporarily ease financial pressures during the postpartum period which is most critical, sustained women's labour force participation hinges on the availability and accessibility of care infrastructure.

In terms of flexible working arrangements, this is provided for in the Employment Act 1955 and further outlined in guidelines by TalentCorp. This essentially allows formally employed workers to apply for flexible working arrangements, subject to approval from employees.

4. Child benefits and adequate wages

Providing child benefits and adequate wages to help families provide for their children, including children with disabilities.

Malaysia offers child benefits through means-tested cash assistance under the Department of Social Welfare (JKM). However, less than 0.75 per cent of children in Malaysia are covered under the scheme¹⁶. The EPCB offers 80 per cent replacement of wages for one extra month but the extent to which it is adequate depends on the mother's reference salary, as highlighted above.

¹⁵ Lee, M.H. et al. (2024). Building a cradle-to-grave care economy. ISIS Malaysia. Policy paper. https://www.isis.org.my/wp-content/uploads/2024/06/Policy-brief-ISIS_230524_PDF-HR.pdf

¹⁶ Department of Welfare Statistical Report 2024.

Policy recommendations and design options

1. Introduce extended paternity leave for insured male workers

While paternity leave is set at seven days nationally, fathers should ideally receive 14 days or 2 weeks of basic paid leave. In line with ILO Recommendation No.191 for maternity leave, paternity cash benefits should similarly also be no less than two thirds of prior earnings.

Therefore, as a first step, UNICEF recommends using the EPCB to provide a seven day paternity extension to male workers. In effect, this would enable fathers to benefit from two weeks of paid paternity leave, with one week covered by employer liability (as outlined in the Employment Act 1955) and the following week is covered by social security benefits. Two weeks of paid paternity leave would bring Malaysia closer to paternity leave provisions in a number of comparator countries.

In fact, using the same wage distribution of contributors, the cost of extending paternity benefits by an additional seven days at an 80 per cent wage replacement rate is estimated to be relatively modest. Accounting for higher wages among insured male workers and higher male labour force participation and coverage, UNICEF estimates that the total annual cost is estimated to range between **RM70 million - RM90 million**¹⁷.

Extending paternity benefits for insured male workers is a low-cost, high-impact intervention, requiring only 7 per cent of total annual EIS contributions – a modest figure when compared to maternity benefits expenditure. These policies complement each other, offering important benefits in supporting early caregiving, promoting shared parental responsibility, and enhancing early childhood development outcomes.

17 UNICEF estimates based on DOSM LFS Data and PERKESO Data in 2025.



Complementary design tweaks:

Beyond supporting the role of fathers, a few simple design tweaks could be implemented to the EPCB at limited to no cost and would help to ensure flexible support for parents during this additional month. These include:

- Where both parents are insured under EIS, the additional weeks afforded under the EPCB could be shared, enabling support to fathers while keeping costs the same.
- Allowing working mothers to take leave on a staggered basis. Depending on the need, eligible mothers could be allowed to return to work, and resume leave at a later point, provided the one-month duration cap is not surpassed.

2. Adopt a cash “plus” or maternity “plus” modality

Beyond cash transfers, global evidence shows that maternity benefits are most effective when complemented by a light-touch, supportive “Plus” package that links families to essential services during a high-risk period. The transition to childbirth is characterised by multiple and overlapping vulnerabilities, including challenges related to maternal and child health, nutrition, caregiving demands, psychosocial wellbeing, and service access.

International experience shows that maternity cash programmes are often linked to key service touchpoints, including antenatal and postnatal care, facility-based deliveries, breastfeeding consultations, and adherence to mandatory immunization schedules. Thus, a **“Maternity Plus” approach** can address these multidimensional risks through targeted, low-cost interventions, such as:

- **Maternal & child health (MCH) onboarding:**
Reinforce uptake of existing MOH services by providing information on postpartum care, recognition of danger signs, breastfeeding practices, immunization

schedules, and birth registration — aligned with current protocols under *MOH’s Maternal and Child Health Guidelines*.

- **Parenting micro-modules and training (digital or group sessions):**

Build on existing modules to reinforce key messages around responsive caregiving, and early stimulation.

There is potential for positive parenting modules that integrate gender-transformative education to explicitly be targeted at fathers as well and support the distribution of care work.

- **Referral mechanism and navigation support:**
PERKESO case managers facilitate better utilization of existing services by strengthening linkages to MOH clinics (after 98-days of maternity), promoting consistent use of the Child Health Record Book (“Pink Book”), and supporting referrals for lactation counselling and postnatal follow-ups.

Practically, these “Plus” components rely on strengthening awareness and utilization of existing MOH services. The information can be

delivered by leveraging existing PERKESO systems, including its case management functions and strategic communication channels (such as email, WhatsApp, and social media) under EIS, with minimal additional cost. PERKESO could build on and expand the number of case managers and contents of the case management modules to incorporate support for maternity benefit beneficiaries, ensuring more systematic engagement during the postpartum period.

Such integrated programming can strengthen the linkages between cash benefits and essential services, improve uptake of existing MCH interventions, enhance parental awareness, as well as promote positive caregiving and behavioural outcomes among beneficiaries. A more ambitious “Plus” modality that goes beyond the initial maternity period and ensures retention of working mothers in the labour force involves **linking it with other family-friendly policies and programmes**, potentially in collaboration with adjacent agencies. There may also be scope to explore support for small and medium enterprises (SMEs) to be amplified, cognizant of the resource constraints they face in implementing wide-ranging family-friendly policies.

3. Frame extended maternity benefits as part of a broader family and child social insurance scheme

Childbirth is a well-established shock period in the household life cycle, where expenditures increase significantly amid potential income declines, thus elevating the risk of poverty and longer-term vulnerability. While Malaysia has made important progress in strengthening protection against employment-related risks, family and child benefits remain a missing branch within the current social insurance ecosystem. The introduction of maternity benefits under PERKESO serves as an important opportunity to reframe social protection beyond labour risks, towards a more comprehensive system that also addresses family formation and child development risks.

As an extension of PERKESO’s overall *Lindung* (protection) campaign, this could take the form of a “**LINDUNG KELUARGA**” (family protection) framing in which maternity benefits can serve as an entry point to a broader family protection platform, with three core functions.

- Income smoothing during the childbirth and the postpartum period.
- Reducing risks of poverty when a child is born into the household.
- Linking to health and early childhood services to prevent avoidable morbidity and developmental risks while enhancing human capital formation. Under this framework, future family-friendly policy interventions can be implemented, strengthening the comprehensiveness and public knowledge of such an approach.

Beyond immediate protection, such framing also strengthens labour market attachment by reducing job dropouts and facilitating return-to-work among parents, particularly mothers, especially when benefits are accessible, predictable, and adequately financed.

Many advanced social protection systems recognise family and child benefits as a distinct and essential pillar of social insurance. For example, **France's Caisse Nationale des Allocations Familiales (CNAF)** provides comprehensive family benefits, including child allowances, birth grants, childcare subsidies, and parental support services.

The framing of benefits as targeted towards families rather than specifically targeted to mothers can also reduce the risk of closely linking



care demands only to women, which can have a more gender-equitable effect in the labour force. This is also reflected in the approach of other comparator countries, such as **China, Portugal, and Spain**¹⁸ who have similar policies that informed the formation and design of Malaysia's EPCB. Often, benefits are provided to both working parents and shared, with specific allocations for fathers or allowing for transferability of leave to fathers. There are also extra benefits provided if care needs are higher i.e. if a baby requires hospitalisation after birth or is a child with disabilities, making the schemes sensitive to the care needs of families.

These benefits are designed not only to support income, but also to promote family wellbeing, child development, gender equality and social equity across the life cycle. Malaysia's current system, by contrast, provides limited systematic income protection linked to childbirth and child-rearing support, particularly for working families in the formal and informal sectors. This limitation creates a gap between short-term income protection (e.g., unemployment, injury) and longer-term human capital investment (children and families). In this

context, maternity benefits should not be viewed as a standalone intervention, but as a foundational building block towards a more comprehensive family-oriented social protection system.

Conclusion

The proposed extended maternity benefit is a timely advancement in strengthening Malaysia's social protection architecture, providing critical support to families during a pivotal life transition. By adopting a phased and calibrated design, PERKESO can ensure meaningful income protection while safeguarding long-term fiscal sustainability. Furthermore, integrating "Maternity Plus" components and expanding support to fathers will significantly amplify the policy's developmental outcomes and gender equity impacts. Ultimately, this reform serves as a strategic foundation for a comprehensive family and child social insurance framework, positioning Malaysia to better manage life-cycle risks, accelerate investment in early childhood development, and foster a more gender-equitable, inclusive workforce.

¹⁸ Refer to Table 1 in Annex.

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Annex: Summary of selected country comparison of maternity and family social protection systems

Country	Type of Scheme	Maternity / Parental Leave Design	Wage Replacement	“Plus” Components	Key Takeaways
Spain	Social insurance	Extended leave for multiple births, disability, hospitalization; transferable leave to fathers	100% using social security	Integrated with health services	Flexible, needs-based and supports father involvement
Portugal	Social insurance	120 days (100%) or 150 days (80%), shared parental leave with incentives	100% or 80%; extensions partial pay	Part-time leave, incentives for shared care	Strong incentives for shared caregiving
France (CNAF)	Family protection	~16 weeks maternity + additional birth leave For fathers, 28 days of paternity leave on top of 3 days of birth leave	~90% + family benefits	Child allowances, childcare subsidies	Integrated family system beyond leave

Korea	Social insurance	90 days maternity leave + up to 1 year parental leave (shared between parents)	80–100% (capped under employment insurance)	Child allowances, childcare subsidies, parenting support, and additional incentives to encourage fathers' leave	Strong system linking parental leave with family benefits and incentives for fathers, supporting more equitable sharing of care roles
China	Social insurance	98 days maternity leave + extensions that differ by province 10-30 days paternity leave for fathers, varying by province	Wage-linked, capped	Limited	Demographic-focused expansion
Singapore	Mixed (govt + employer liability)	16 weeks maternity leave for citizens 4 weeks of paternity leave (including self-employed fathers)	Full salary (capped funded by govt + employer)	Baby bonus, childcare subsidies	Strong package linking cash + childcare

Vietnam	Social insurance	6 months maternity leave. Paternity leave of 5-7 days depending on type of delivery (two weeks for twins)	100% (social insurance)	Health care, breastfeeding protection	High replacement, strong health linkage
Thailand	Mixed (employer liability + social security)	120 days maternity leave 15 days paternity leave	Employers cover full wages for mothers and fathers, and social security covers partial income for additional leave (50%)	Health coverage, maternal welfare	Shared financing model
Indonesia	Employer liability but potential transition to social insurance	Three months maternity leave Two days of paternity leave	Full pay by employers, moving to social insurance	Limited	Transition opportunity toward insurance model
Malaysia	Employer liability and social insurance	98 days maternity leave with optional paid extension of one month. Seven days for paternity leave covered by employers	~80% (capped) for the additional month	-	Hybrid system with scalability

For every child

Whoever she is.
Wherever he lives.
Every child deserves a childhood.
A future.
A fair chance.
That's why UNICEF is there.
For each and every child.
Working day in and day out.
In 190 countries and territories.
Reaching the hardest to reach.
The furthest from help.
The most excluded.
It's why we stay to the end.
And never give up.



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