

Introduction

Skills Development in South Africa is governed by a range of legislation. The Skills Development Levies Act and The Skills Development Act are especially relevant to SDF services as they provide a framework for organisations to develop and improve employee skills.

We offer a complete SDF Service using an integrated approach to education, training and development initiatives, aligned to your organisation and employee needs.

Our Services

Our team of professionals ensures that you are compliant with legislation and that you adhere to quality standards. We:

- We standardise designations in-line with the Organisation Framework of Occupations.
- Ensure there is training alignment throughout
- Ensure your company records training experiences correctly and that the required documentation is submitted to be reimbursed with your SETA Mandatory Grants
- Assist with the development of Workplace Skills Plans (WSPs) and submit Annual Training Reports (ATRs).
- Liaise with SETA regarding any/all SETA-related queries as well as follow up on all monies owed to the company by the SETA
- Source applicable accredited training providers in terms of the budget, strategic skills profile and schedule
- Ensure your company is prepared and meets the requirements of the Skills Development Monitoring and Auditing visits

Who Pays SDL?

The Skills Development Levies Act applies to all employers except the public sector, religious or charity organizations and public entities that get more than 80% of their money from Parliament. Employers whose total pay to all workers is less than R 500 000 per annum are also excluded.

Consulting Solutions

Skills Development Facilitation Solutions

COMPLIANCE DONE RIGHT

Our Approach to SDF Solutions

Our Skills Development Facilitator (SDF) solutions are aimed at organisations that wish to align their skills development with their strategic corporate objectives.

We:

- Assist in identifying areas where skills are needed and plan the appropriate interventions to address any gaps
- Provide you with a return of between 50 and 350% of money invested, dependent on your level of participation.
- Collaborate with you to administer and plan your skills development effectively.
- Ensure your company records training experiences correctly and that the required documentation is submitted to be reimbursed with your SETA Mandatory Grants.
- We assist with constituting the Workplace Training Committee and facilitate quarterly training committee meetings in-line with SETA requirements

SDL Act & Benefits

Employers who fall within the ambit of the Skills Development Levies Act pay a 1% levy on their total salary and wage bill to SARS.

More than half the contribution can be used to reimburse the training expenses incurred in the form of mandatory and discretionary grant funding, provided the employer is compliant with the requirements as detailed by the SETA.



Levy Allocations

SARS collects all Skills Development Levies.

- 20% goes to the National Skills Fund and 80% to the SETAs.
- SETAs retain 10.5% for administration and 0.5% for the Quality Council for Trades and Occupation (QCTO) for quality assurance.
- 20% is dispersed back to compliant and participating employers through Mandatory Grants and 49.5% is allocated to Discretionary Grant funds.
- 80% of this Discretionary Grant funds are available to employers in Pivotal Grants (subject to application and successful submission of a Pivotal Grant Plan)
- The remaining 20% is reserved for Non-Pivotal Grants of compliant employers (subject to application/allocation).

Non-compliant or non-participating employers' Mandatory Grants are absorbed into the discretionary pool.

SETAs may apply for additional funding from the National Skills Fund (NSF) for special projects. Should the SETA not use the funds at their disposal, they are returned to the NSF.

The Benefits

Employers benefit from financial incentives (Section 12H(A) SARS incentive) and participants may access funding from their respective SETAs.

Employers can also optimise their BBEE compliance by aligning training objectives to address skills shortages through participation.



Mandatory Grants

The Mandatory Grant facilitates a reimbursement of training expenses (both internal and external) to a compliant employer of up to 20% of their Skills Development Levy contribution, subject to:

- The employer being up to date with payment of the Skills Development Levies
- The compilation and submission of a Workplace Skills Plan by 30 April. A WSP is a plan of the training schedules for the next reporting period of the applicable SETA.
- Submission of an Annual Training Report (a report of the training undertaken in the previous reporting period explaining any variances)

Employers with more than 50 employees are required to form a representative Workplace Training Committee that collaborates on identifying skills requirements, evidenced through minutes.

For employers with less than 50 employees there is no requirement for a committee but the historical achievements of the previous Workplace Skills Plan must be maintained to satisfy the implementation criteria outlined by the SETA.

Unionised workplaces must, through consultation, approve WSP & ATR submissions and have them signed off by an appropriately empowered and appointed representative.

Discretionary Grants

In terms of Skills Development Regulations, a Discretionary Grant is a grant paid to applicants for Skills Development Projects linked to scarce and critical skills in the sector.

Companies who don't participate in Mandatory Grants forfeit the grants each year, and their unclaimed money, plus the SETA's discretionary allocation and any special funding received by the SETA from the National Skills Fund (NSF), provides funding to participating employers in excess of what is available as their Mandatory Grant. This funding is applied for, and allocated by the employer's SETA, at their sole discretion.

Planning & Funding

Planning plays a critical role in implementing training and development initiatives and a SETA Workplace Skills Plan (WSP) guide companies to identify skills shortages and plan interventions to address organisational and individual development needs.

Because of our long-standing relationships with South Africa's SETAs, we act as the liaison between your company and the SETA to ensure compliance and cooperation between all parties.

Not Paying SDL?

Qualifying employers who do not pay Skills Development Levies will be issued with a fine, penalties and interest.



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SDF COMPLIANCE DONE RIGHT

With over 20 years' experience we understand the intricacies of legislation, compliance and Skills Development planning.

We offer a partnership you can trust to give you the right advice.

Contact the Experts

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