



## NEW SETA GRANT REGULATIONS 2013



The Skills Development Act and Skills Levy Act requires all employers with an annual payroll of more than R500 000, or 50 and above employees to pay a skills levy of 1% of their annual payroll. In order to qualify for a mandatory grant of 20% of the skills levy paid, the employer has to submit a Workplace Skills Plan (WSP) indicating the planned training for the coming reporting period, and an Annual Training Report (ATR) that gives account of all training provided to staff during the reporting period, i.e. the previous financial year. This is a reduction from the 50% mandatory grant that was paid in previous years.



## DISCRETIONARY GRANTS

The new regulations are effective from 1 April 2013. The most significant change is the reduction in the **mandatory grant percentage from 50% to 20%**, and the **requirement to plan PIVOTAL training and report on implementation**. These Pivotal plans and reports must now be submitted annually, together with the WSP's and ATR's. The intention of this is not to reduce the grants paid to those submitting WSPs, but rather to ensure that grants are targeted to address priority skills needs. The Services SETA will be working with member organisations to implement and fund programmes that address scarce skills occupations and critical skills needs of employees in the sector.

Scarce skills are a particular focus and can be addressed through bursaries, learnerships, apprenticeships or internships. The key change that the Department of Higher Education and Training and the SETA's are trying to achieve is a stronger role for the workplace, and workplace experiential learning, in programmes addressing scarce skills occupations. Existing staff can be given bursaries, where assignments and projects at work are providing the workplace context, whereas new entrants coming in via learnerships and internships can be provided with structured occupational experience and learning that is integrated with and directly relevant to the outcomes of the qualification and/or the key performance areas of the occupation concerned.

Employers applying for discretionary grants through the Expression of Interest process would have to grant access to the SETA to conduct a Workplace Readiness Evaluation. Services SETA officials will visit sites where PIVOTAL training is being planned and will assess the readiness of the workplace and employer to deliver the training. This is not a "compliance check" but a visit intended to gather information, including any requests for assistance (for example for mentor training, identifying unemployed learners, contracting training providers, enabling access to people with disabilities etc.) The aim is to establish partnerships between the Services SETA and employers in the sector, so that workplace experience and learning opportunities can be expanded over time.



## MANDATORY GRANTS

Employers must submit WSP's and ATR's for the 2012/2013 reporting period by 30 June 2013. As of 1 April 2014, the deadline for submission will be 30 April of each year. The aim of the change is for planning to be more closely aligned to the financial year, but also to enable the data from WSPs and training reports to be analysed and included in the Sector Skills Plan (SSP) of the SETA. The intention is that the needs of employers in the sector, as reflected in skills plans, find expression in the (SSP). In this way demand within industry determines how the SETA allocates the funds available in a manner that addresses actual need in the labour market.

The mandatory grant related to WSP's and ATR's has been reduced to 20% of an employer's 1% skills levy. **However, in addition to that 20% employers can also benefit from the discretionary grants by implementing PIVOTAL training. Once the employer has submitted the PIVOTAL plan as part of the WSP/ATR submission, they will be granted access to the process for applying for discretionary grants. The Services SETA has allocated 80% of its discretionary fund budget for PIVOTAL programmes.**

These include professional, vocational, technical and academic (PIVOTAL) programmes that either result in, or contribute substantially to, an occupational or professional qualification. The aim is to provide funding for programmes that address scarce skills occupations and critical skills needs in the workforce. Ideally PIVOTAL programmes should have a large element of structured workplace experience and learning, and so the Services SETA will be prioritizing learnerships, apprenticeships and internships that address scarce skills needs when allocating discretionary funds. The above will therefore require employers to carefully plan training that will be implemented and ensure that all training meets the criteria set out by the SETA. Mandatory grants will continue to be paid at least quarterly. Grants not claimed will be transferred to the SETA's discretionary fund and will be used to fund training in those companies that are engaging in workplace skills development. In this way it is possible for employers to apply and receive in excess of the 50% of grants that they have been able to claim in mandatory grants in the past.

**A SETA will only pay out an employer's mandatory grant if the following eligibility criteria for payment of mandatory grants are met:**

- Must be registered with the Commissioner of SARS in terms of the Skills Development Levies Act.
- Has paid the levies due to the Commissioner as required by the SDLA.
- All levy payments are up to date at the time when the application is being considered and for the reporting period.

The WSP and ATR (including details of PIVOTAL plans and reports) are submitted by the required deadline.

- Evidence that the WSP and ATR have been subject to consultation with recognised trade union(s) or workplace representatives participating in an established training committee. Where there is a recognition agreement in place, the WSP and ATR must be signed off by the labour representative appointed by the recognised trade union unless an explanation is provided.
- The WSP and ATR data and information must be accurate. The SETA is now required to conduct checks to ensure that the quality of data received is good, and can be relied upon to inform sector plans.

## CONTACT DETAILS

For further information or advice on completion of plans and reports please call Marc Leigh Alexander 011 276 9730 or 011 276 9244 or email @ WSPextension@serviceseta.org.za  
The link for submission of WSPs and ATRs is: <http://www.serviceseta.org.za/WSP/Pages/default.aspx>