



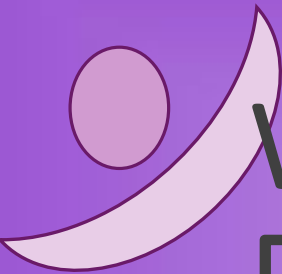
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# Skills Development Levies, Grants, Reporting Services Seta

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source: [www.servicseta.org.za](http://www.servicseta.org.za)





# What is the purpose of the Skills Development Act?

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The short supply of skilled staff is a serious obstacle to the competitiveness of industry in South Africa. The Skills Development Act of 1998 aims to:

- Develop skills for the South African work force;
- Increase investment in education and training, and improve return on investments in those areas
- Encourage employers to promote skills development by using the workplace as an active learning environment;
- Encourage workers to participate in learnership and other training programmes;
- Improve employment prospects by redressing previous disadvantages through training and education;
- Ensure the quality of education and training in and for the workplace, and
- Assist with the placement of first time work-seekers



# What is the aim of the skills development levy?

The levy grant scheme, legislated through the Skills Development Levies Act, 1999, serves to fund the skills development initiative in the country.

The intention is to encourage a planned and structured approach to learning, and to increase employment prospects for work seekers.

Participating fully in the scheme will allow you benefit from incentives and to reap the benefits of a better skilled and more productive workforce.



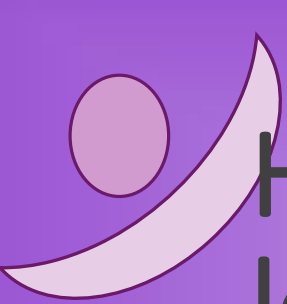
# Who must pay the levy?

The levy is calculated as 1% of your wage bill, payable monthly.

All employers who are registered with the South African Revenue Service (SARS) for PAYE and have an annual payroll in excess of R500 000 must register with SARS to pay for the skills development levy.

This excludes contractors employed under Temporary Employment Agency





# How does an employer register for the levy?

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Every employer who is liable to pay the levy must register with SARS by completing the registration form, Form SDL 101, which is available from all SARS offices. In order to register the employer must:

Obtain a registration form (SDL 101) from any SARS office, if not received by mail;


Choose from a list of registered Sector Education and Training Authorities (SETAs) as indicated in the SETA classification guide provided with the registration form, the one SETA most representative of your activities, and

Choose a standard industry code (SIC) from the SETA classification guide which most accurately describes the nature of your business.





# How do I determine that I actually belong with the Services SETA?



Primary focus of the business is determined by analysing what approximately 60% of your employees do. Services SETA has the following scope of coverage:

Labour Recruitment

Marketing

Personal Care

Property

Project Management

Postal

Cleaning

Domestic

Hiring

General Business





# What is proof of expenditure?

Proof of expenditure is very important when completing and submitting your Annual Training Report.

Proof of expenditure relates to all training costs that the organization has spent on the employees of the company.

If the training was done internally then the organization needs to submit all attendance registers but if the training was done by a training provider then all invoices are required.





# What is the purpose of a Workplace Skills Plan (WSP)?

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The Workplace Skills Plan serves to structure the type and amount of training for the year ahead, and is based on the skills needs of the organisation.

A good WSP should consider current and future needs, taking into account gaps identified through a skills audit, the performance management system, succession planning initiatives, and any new process or technology changes planned for the year.

Management discusses the company's goals with employees who in turn commit to the process of achieving these goals. Management gets the opportunity to discover talent as well as skills that they did know that they had.







# What is an Annual Training Report (ATR)?

Basically this report consists of all attendance registers, proof of expenditure, training provider used in this report the SETA can establish whether training was done or is in the process of being done.



# Why is it important to use an accredited training provider?



It is important to use an accredited training provider because it enables the SETA to establish that the training provider used is not a "FLY BY NIGHT" training provider but instead it is a recognized training provider, with recognized standards.





# About Grants and refunds

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**As an employer paying the 1% skills development levy, do we automatically receive the mandatory grant from Services SETA?**

No. Mandatory grants are paid to the employer subject to the timeous receipt of a correct WSP/ATR by the Services SETA. WSP/ATRs must be submitted to the Services SETA on the 30 June of every year.

**Does one get a percentage of monies spent on training?**

NO. Mandatory grants are a refund against all monies contributed towards the skills development levy and not on monies spent on training.





# Bayanda Business Consulting

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We are external Skills Development Facilitators and will do the following

- Assist the employer and employees to develop a Workplace Skills Plan (WSP).
- Submit the Workplace Skills Plan (WSP) to the relevant SETA.
- Advise on the implementation of the Workplace Skills Plan.
- Assist to draft an Annual Training Report (ATR) on the implementation of the Workplace Skills Plan.
- Advice on the quality assurance requirements set by the SETA.
- Act as a contact person between you and the SETA.
- Serve as a resource for all aspects of skills development





# Contact us on

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