



CHAMBER OF MINES
of South Africa

EMERGING MINERS WORKSHOP

MUSTAK ALLY

MAXIMISING OPPORTUNITIES IN THE
SKILLS SYSTEM



CURRENT LEGISLATION AFFECTING PEOPLE MANAGEMENT

Labour
Relations Act

Employment
Equity Act

Basic
Conditions of
Employment
Act

OHS Act /
MHSA

Compensation for
Occupational
Injuries & Diseases
Act (COIDA)

Employment Tax
Incentive

Skills Development
Act

Skills Development
Levies Act

Income Tax Act
Section 12H

BBBEE /
Mining
Charter

INTRODUCTION - SDA

The purposes of the Skills Development Act are:

- to develop the skills of the South African workforce-
 - to improve the quality of life of workers, their prospects of work and labour mobility;
 - to improve productivity in the workplace and the competitiveness of employers;
 - to promote self-employment; and
 - to improve the delivery of social services;
- to increase the levels of investment in education and training in the labour market and to improve the return on that investment;
- to encourage employers-
 - to use the workplace as an active learning environment;
 - to provide employees with the opportunities to acquire new skills;
 - to provide opportunities for new entrants to the labour market to gain work experience; and
 - to employ persons who find it difficult to be employed;

INTRODUCTION - SDA

- to encourage workers to participate in learning programmes;
- to improve the employment prospects of persons previously disadvantaged by unfair discrimination and to redress those disadvantages through training and education;
- to ensure the quality of learning in and for the workplace;
- to assist-
 - work-seekers to find work;
 - retrenched workers to re-enter the labour market;
 - employers to find qualified employees; and h)to provide and regulate employment services.

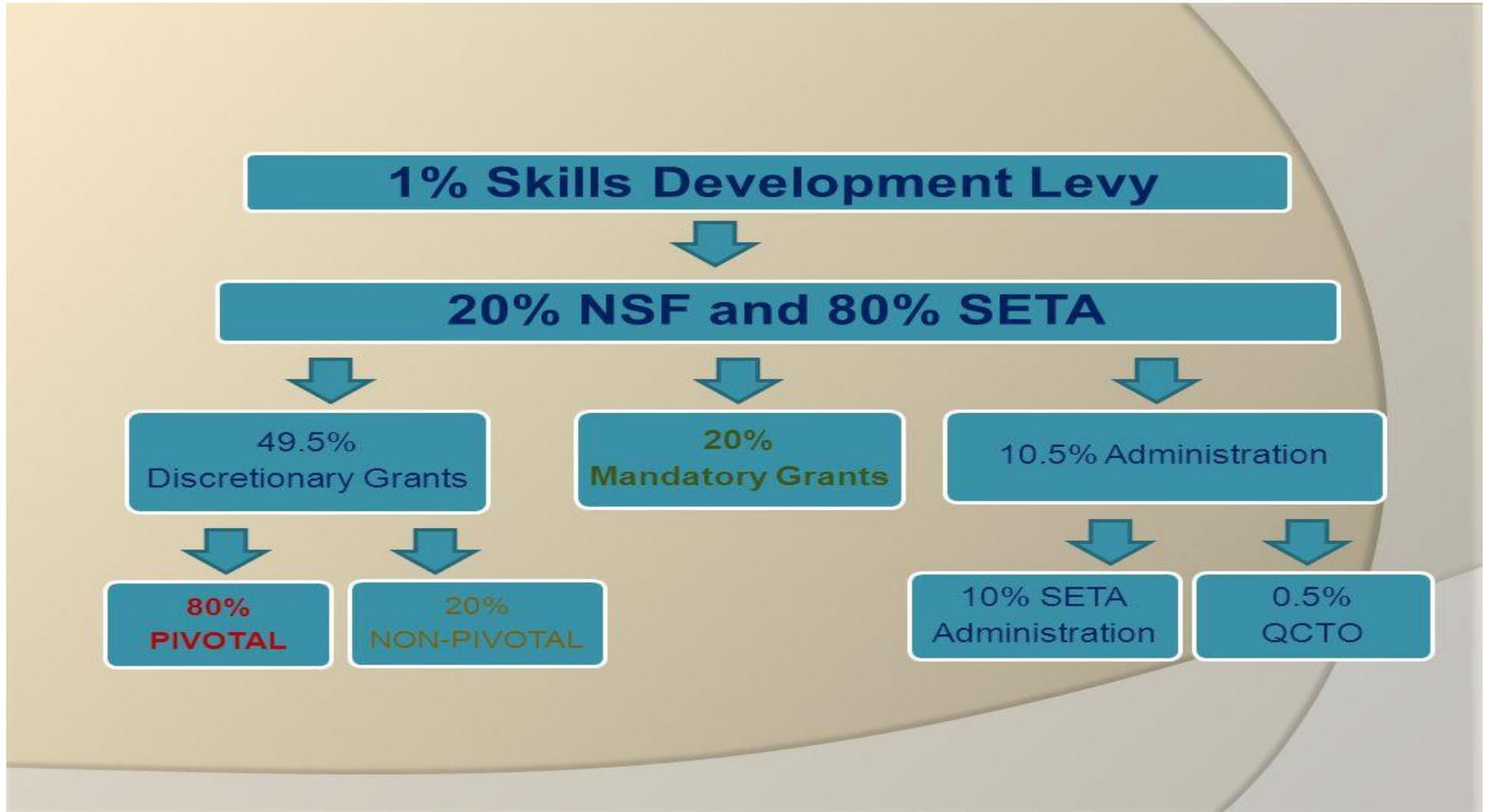
INTRODUCTION - SDLA

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.

Skills Development Levy (SDL) is a levy imposed to encourage learning and development in South Africa and is determined by an employer's salary bill. The funds are to be used to develop and improve skills of employees.

Participating fully in the scheme will afford you funding opportunities (DG) and benefit from incentives (Tax, BBBEE). You will also reap the benefits of a better skilled and more productive workforce.

CURRENT SKILLS LEVY STRUCTURE



SOME FAQ'S ON THE SKILLS LEVY & GRANTS

Who pays the levy?

- *Companies with a payroll higher than R500k*
- *In the mining sector all companies are required to submit a “training plan” as per the MHSA (Regulation 46)*

How do I know if I am registered to pay the skills levy?

- *Companies can check whether they are registered for the SDL by contacting their local SARS branch and providing their PAYE number.*

Which SETA is my levy going to?

- *When registering for the SDL with SARS you must indicate which SETA you plan to join. You are obliged to choose the SETA that most suits your business.*

SOME FAQ'S ON THE SKILLS LEVY & GRANTS

How do I get my mandatory grant (20%) back?

- *Once your completed WSP and ATR is submitted and approved.*

What is a discretionary grant?

- *Monies made available to companies by the SETA for Professional, Vocational, Technical and Academic Learning (PIVOTAL) programmes*
- *Discretionary grants are developed and paid out at the discretion of the Seta Management and Board*

How do I access the discretionary grant?

- *Approved WSP and ATR*
- *Applying in alignment with the funding policy of the MQA?*

LEARNERSHIP TAX INCENTIVE (LTI) – SECTION 12H

- The Learnership Tax Incentive was introduced to encourage skills development and job creation, by providing an additional tax deduction for formal, SETA-registered training programmes.
- Amendments were made to the LTI to encourage greater participation on learnerships that are on a NQF Level 1-6 than on NQF 7-10
- LTI is not SETA linked or “skills development levy linked”
- If more than one employer is party to the learnership agreement, then the lead employer can only get the LTI
- There are two types of LTI deductions:-
 - Annual allowance
 - Completion allowance
- The LTI would continue until 31 March 2022

PROGRAMMES THAT CAN ACCESS GRANT FUNDING

- Bursaries
- Work Experience
- Internships – The MQA considers this as a PIVOTAL programme as it assists graduates to gain work experience opportunities and thus contributes to improved work performance
- Non-Artisan Learnerships
- Artisan Learnerships
- AET
- OHS Rep Development
- FLC
- RPL/Artisan Aides
- NCV level 4 placements
- Candidacy
- Mine Community Development
- Youth Development

LEARNERSHIP TAX INCENTIVE (LTI) – SECTION 12H

	Allowance for learnerships prior October 2016	Qualification	Proposed (R's)
Person without disability	R 30,000	NQF 1 – 6	40,000
		NQF 7 - 10	20,000
Person with disability	R 50,000	NQF 1 – 6	60,000
		NQF 7 -10	50,000

- The amounts do not change for the “annual” or the “completion” allowance.
- If the Learnership exceeds 24 months, then the completion allowance is multiplied by the number of consecutive 12-mth periods within the duration of that learnership.

EMPLOYEE TAX INCENTIVE (ETI)

- The ETI is an incentive aimed at encouraging employers to hire young work seekers (18-29).
- It was implemented with effect from 1 January 2014 and was extended to 28 February 2019.
- Can be claimed for a maximum of 24 monthly periods per qualifying employee.
- Can be claimed with LTI

	<i>Year 1</i>	<i>Year 2</i>
MONTHLY REMUNERATION	Employment Tax Incentive per month during the first 12 months of employment of the qualifying employee	Employment Tax Incentive per month during the next 12 months of employment of the qualifying employee
R0 - R2 000	50% of Monthly Remuneration	25% of Monthly Remuneration
R2 001 - R4 000	R1 000	R500
R4 001 - <R6 000	Formula: $R1\ 000 - (0.5 \times (\text{Monthly Remuneration} - R4\ 000))$	Formula: $R500 - (0.25 \times (\text{Monthly Remuneration} - R4\ 000))$

MAXIMISING YOUR BBBEE POINTS OPPORTUNITY

- Submitting your WSP and ATR is crucial. No submission means no points in the Skills Development element of the generic scorecard.
- The BBB-EE generic scorecard considers Skills Development as a priority element and not achieving a sub-minimum of 40% of the points will result in the final rating being discounted by one level.
- Both employed and unemployed learners skills spend can be considered in the BBBEE scorecard.
- Training and development of Black employees means more points
- You can claim direct training cost and 100% of the remuneration of employed and unemployed learners going through category B, C and D programmes on the training matrix as part of training expenditure.
- Programmes that are not SAQA recognized or credit bearing cannot be more than 15% of training expenditure
- You can get an extra 5 points for taking unemployed learners into employment

MAXIMISING YOUR BBEE TRAINING MATRIX

CATEGORY	NARRATIVE DESCRIPTION	DELIVERY MODE	LEARNING SITE	LEARNING ACHIEVEMENT
A	Institution – based theoretical instruction alone – formally assessed by the institute	Institutional instruction	Institutions such as Universities, Colleges, Schools, ABET Providers	Recognized theoretical knowledge resulting in the achievement of a degree, diploma or certificate issued by an accredited or registered formal institution of learning
B	Institution – based theoretical instruction, as well as some practical learning with an employer of in a simulated work environment – formally assessed through the institution	Mixed-mode delivery with institutional instruction as well as supervised learning in an appropriate workplace or simulated work environment	Institutions such as Universities, Colleges, Schools, ABET Providers and the Workplace	Theoretical knowledge and workplace experience with set requirements resulting in the achievement of a degree, diploma or certificate issued by an accredited or registered formal institution of learning
C	Recognised or registered structured experiential learning in the workplace that is required after the achievement of a qualification – formally assessed by a statutory occupational of professional body	Structured learning in the workplace with mentoring or coaching	The Workplace	Occupational or professional knowledge and experience formally recognized through registration or licensing

MAXIMISING YOUR BBEE TRAINING MATRIX

CATEGORY	NARRATIVE DESCRIPTION	DELIVERY MODE	LEARNING SITE	LEARNING ACHIEVEMENT
D	Occupationally directed instructional and work based learning program that requires a formal contract – formally assessed by an accredited body	Institutional instruction , together with structured, supervised experiential learning en the workplace	Institutions and/or or workplace	Theoretical knowledge and workplace learning, resulting in the achievement of a South African Qualification Authority registered qualification, a certificate of other similar occupational or professional qualification issued by an accredited or registered formal institution of learning
E	Occupationally directed instructional and work-based learning program that does not require a formal contract – formally assessed by an accredited body employer of in a simulated work environment – formally assessed through the institution	Structured, supervised experiential learning in the workplace, which may include some institutional instruction	Workplace, some institutional providers and ABET providers	Credits awarded for registered unit standards
F	Occupationally direct informal instructional programmes	Structured information sharing or direct instruction involving workshops, seminars, conferences and short courses	Institutions, conferences and meetings	Continuing professional development, attendance certificates and credits against registered unit standards (in some instances)
G	Work-based informal programmes	Informal training	Workplace	Increased understanding of job or work context or improved performance or skills

Thank You

Q & A