

Frequently Asked Question(s) FAQ, s

1. What is the purpose of the Skills Development Act?

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

2. 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.

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

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.

4. 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.

5. 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.

6. What is a learnership?

A learnership is a work-based learning programme that leads to a nationally recognised qualification. Thus, learners in learnership programmes have to attend classes at a college or training centre to complete classroom-based learning, and they also have to complete on-the-job training in a workplace. This means that unemployed people can only participate in a learnership programme, if there is an employer that is willing to provide the required work experience

7. 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.

8. What are the requirements for claiming back Discretionary Grants?

Each funding window has a different set of rules, which will be communicated to companies. For further details, please contact CETA.

9. How does an employer register for the levy?

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

10. To whom are levies payable?

Levies are payable to the South African Revenue Service, which acts as a collecting agency for the applicable SETA.

11. By when is the levy payable?

The levy must be paid to SARS not later than SEVEN days after the end of the month in respect of which the levy is payable, under cover of a SDL 201 return form.

12. Is there any interest and penalty incurred for late or non-payment?

SARS will impose both interest and penalties for late or non-payment of levies.

13. How do I register as a Skills Development Facilitator with the CETA?

You can use the online Skills Development Facilitator registration form available under the Facilitators (SDF) section of this web-site or contact your regional co-ordinator. Your registration will be acknowledged as soon as it is processed

14. What is PIVOTAL Grant

PIVOTAL is an acronym which means professional , vocational technical and academic learning programme that result in a qualification or part qualification on the National Qualification Framework.

15. What is SIPS

SIPS is an acronym which means Strategic Infrastructure Projects

16. What is meant by OFO

OFO is an acronym which means Organising Framework for Occupations