

April 13, 2017

Workplace Skills Plan Deadline Looming



An overview of the importance of submitting a Workplace Skills Plan.

The term WSP (Workplace Skills Plan) is used to describe the *training and skills development plan* of a business, as envisaged in the Skills Development Act of 1998. The WSP, accompanied by the Pivotal Plan and Annual Training Report, will be approved by the relevant SETA with which the business must register.

The need for a WSP

Although it is not compulsory by law for businesses to submit a WSP and Pivotal Report, there are certain adverse consequences of not submitting such. These consequences include, but are not limited to the following:

- *No points will be earned for Skills Development* if the business wants to become BEE compliant. This might have considerable financial implications. Any spending on skills that may have counted towards an admirable rating will not be taken into consideration if the measured entity had failed to submit their WSP, which also needs to be approved. Under the *Revised Codes of Good Practice* (Government Gazette 38764 dated 5 May 2015), Skills Development is a priority element, which means a measured entity must score at least 40% on this element. Should the measured entity fail to meet this sub-minimum, it will be discounted by one level, meaning it will drop one level. This discounting principle often becomes the thin line between being compliant or non-compliant. Businesses that wish to remain B-BBEE compliant and enjoy a competitive edge are therefore obliged to compile the aforementioned WSP and Pivotal plan.
- The Mandatory Grant (20% of your Skills Development levies spend paid to SARS) and Discretionary Grant (*potential refunding of amounts spent on learnerships, internships and other training interventions*) will be forfeited.
- Unsuccessful tender bids: The *tender process* as such might be cumbersome, but having the correct documentation makes bidding easier. Tenders are subject to very stringent pre-qualifying criteria. The tender process will also be influenced by the BEE level of the bidder and may include a prerequisite pertaining to the submission of the WSP and adherence to skills development plans. Some industries, for example mining and construction, focus more strongly on this element than others.

When is the WSP due?

The WSPs must be submitted before the *end of April 2017*. Submissions are done online and no late submissions shall be accepted. Experience has shown that online submissions are somewhat burdensome because of possible downtime of the system and unavailability of a stable, fast internet connection. However, there are still about two weeks left for submitting WSPs and business are urged to make the best use of this time to become compliant. SERR Synergy assist businesses with the completion and submission of an annual Workplace Skills Plan (WSP) and Pivotal Plan as well as an annual Training Report. We act as a Skills Development Facilitator (SDF) for your business. *About our author: Audrey Cloete obtained her LLB degree from the North-West University Potchefstroom in 2003. She completed her articles with the main focus on Criminal Law and is also an admitted Conveyancer. Audrey joined SERR Synergy in 2015 where she currently works as a Legal Compliance Advisor.*

©SERR Synergy, www.serr.co.za