

April 10, 2024

## **Navigating South Africa's Skills Development landscape**



***Within the ever-evolving realm of skills development in South Africa, staying abreast of the latest legislation and trends is crucial for businesses aiming to thrive in today's dynamic marketplace. As we delve into 2024, let's explore the key aspects of skills development legislation, trending topics, and important deadlines.***

In this article, we'll look into several crucial aspects of Skills Development.

### **Skills Development Levies**

One of the pivotal components of skills development legislation in South Africa is the Skills Development Levy (SDL).

Businesses with an annual payroll exceeding R500 000 are subject to a monthly levy of 1% of their payroll expenditure, contributing to the funding of employee training and development programmes.

However, businesses can reclaim a portion of this levy through Mandatory and Discretionary Grants.

### **What are Mandatory Grants?**

Mandatory Grants offer a direct avenue for businesses to reclaim up to 20% of their annual SDL payments.

To qualify, businesses must be up to date with SDL payments, provide professional training to employees, and submit their Workplace Skills Plan (WSP) and Annual Training Report (ATR) to the relevant Sector Education and Training Authority (Seta) with which they are registered based on the core functioning of their business. These reports outline the employer's training goals and document all training activities from the previous year.

### **What are Discretionary Grants?**

Discretionary Grants provide an opportunity for businesses to be reimbursed for implementing accredited training leading to formal qualifications.

These grants are available to employers who meet specific requirements, including providing training in priority, scarce or critical skills, cooperating with relevant Setas, and demonstrating a commitment to skills development. The grant amount could be as much as 49,5% of the total SDL paid. Applications can be made for learnerships, apprenticeship, skills programmes, bursaries, graduate development etc.

### **What are the trending Skills Development topics for 2024?**

As we navigate 2024, several trending topics in skills development are worth highlighting. The impact of global pandemics on organisational learning and development underscores the importance of proactive measures to support training budgets. Despite challenges, organisations can leverage existing relief measures, including grants and tax incentives, to invest in training for B-BBEE purposes as well as address critical skill shortages.

### **Tax Incentives and Learnership Allowances**

Learnerships are an integral part of the country's overall objectives to reduce poverty, increase skills within the workforce, and improve economic growth in South Africa.

A Learnership Allowance is a tax incentive introduced by the Minister of Finance in his 2002 Budget Speech as an additional tax deduction which may be claimed from the employer's trade income when calculating the taxable income.

A Learnership Allowance, governed by section 12H of the Income Tax Act, serves as a pivotal tax incentive for employers aiming to stimulate skills development within the workforce. This allowance, applicable to registered learnership agreements, offers both annual and completion allowances. It encourages companies to invest in upskilling their employees while reducing their overall tax liability.

Learnerships not only encourage skills development but also enhance B-BBEE compliance, contributing to economic growth and job creation. Employers must complete IT180 forms for each learnership agreement claimed for tax allowances.

South Africa prioritises youth employability and community skills development to combat rising unemployment. The learnership tax incentive aligns with these objectives, promoting job-specific training and relevant workplace skills. By empowering citizens to participate in the labour market, reliance on government assistance decreases, fostering economic independence.

### **What are the Workplace Skills Plan deadline?**

For businesses preparing for the 2024 Seta submission period, it is essential to note the skills development online submission deadline of 30 April 2024 for the Workplace Skills Plan 2024/2025. This deadline underscores the urgency of aligning training initiatives with organisational goals and sectoral priorities.

### **In Conclusion**

As businesses navigate the complex landscape of skills development in South Africa, staying informed about legislation, leveraging grants and incentives, and meeting deadlines are paramount. By proactively investing in training and development, organisations can not only enhance their competitiveness but also contribute to the broader socio-economic development of the nation.

The year 2024 presents both challenges and opportunities in the realm of skills development. If you are a business seeking assistance with strategic planning and navigating the discretionary grant application process, SERR Synergy offers a full range of *Skills Development Facilitation and Employment Equity* solutions as well as a range of *Training and Skills Development programmes which include accredited learnerships*.

Our professional *Skills Development Facilitators* are here to assist you. Contact us for expert guidance, resources, and support tailored to your company's specific needs. Together, let us unlock the full potential of submitting your workplace skills plan and discretionary grant application and driving success for your business in today's dynamic marketplace.

**About the Author:** Deosha Moodley is a professional with a National Diploma in Human Resource Management and more than 15 years' experience Skills Development Facilitation. She began her career as a legal assistant before advancing to specialise in Skills Development Facilitation (SDF). Her expertise spans various sectors, having worked across all SETA's. Employed at SERR Synergy since 2017, Deosha currently holds the position of Specialist SDF.

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