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## BEE AND SKILLS DEVELOPMENT

Both skills development and employment equity are imperative for businesses to comply with statutory and BEE requirements.

Skills Development has become a strategic priority for businesses that wish to attain or retain an acceptable BEE level and also meet the requirements of the Skills Development Act. The **Skills Development Act** provides businesses with a solid framework to implement learning strategies towards skills development that will improve the South African workforce's skills.

With the revised BEE scorecard, companies can earn maximum skills development points if they spend

the required 3% or 6% of their annual payroll on SETA-accredited training initiatives (depending on the business category).

The **Skills Development Levy (SDL)** is payable by employers in different sectors of the economy and serves to fund learning and development initiatives for socially and economically marginalised groups in South Africa.

### SKILLS DEVELOPMENT LEVY PAYABLE

- Existing legislation requires all businesses with an annual payroll in excess of R500 000 (including director fees) to pay **1% of their payroll** to SARS, which will then distribute the money to the appropriate SETA with which the business is registered.
- Failure to pay this levy constitutes an offence.**



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## **BENEFITS OF PAYING SKILLS DEVELOPMENT LEVY**

If your company promotes learning and development in the workplace you will reap the rewards of a better skilled and more productive workforce.

By paying your **SDLs** monthly, you qualify for and have access to:

- Skills development grants (mandatory and discretionary).
- Substantial tax allowances when you implement learnerships in your company.
- Increase your B-BBEE compliance level.

### **TAX REBATE - YOUTH SUBSIDY**

Businesses also qualify for a tax rebate of up to R 1000 on the remuneration of all employees below the age of 29 (youth subsidy) under certain circumstances

A further R80 000 as an additional tax expense to be recouped on all registered learnership programmes.

**Businesses that are unaware of these incentives and claiming processes will forfeit valuable revenue.**

### **CLAIMING OF SKILLS LEVIES (SDL) ALREADY PAID**

**Contributing employers** may annually claim back between 20% - 69,5% of levies paid to SARS, provided that they:

- register a Skills Development Facilitator (SDF)
- submit a Workplace Skills Plan (WSP) indicating training for the next reporting period
- submit a Pivotal Plan that gives account of all training provided to employees during the reporting period
- offer SETA-accredited training.

At SERR SYNERGY we will advise businesses in this regard and provide a **Skills Development Facilitator** service that assists businesses in claiming back portions of the Skills Development Levies already paid to SARS.



## **THE WORKPLACE SKILLS PLAN AND BEE CODES**

A prerequisite for recognising any points under Skills Development on your BEE Scorecard is the submission of the following:

- Workplace Skills Plan (WSP),
- Pivotal Plan
- Annual Training Report (ATR) prior to the deadline in **April** each year.

Businesses will only receive points on their BEE scorecard once they **prove that a Workplace Skills Plan was submitted.**

The new amended BEE Codes further require that the WSP and Pivotal Plan be approved by the SETA prior to earning any points on the BEE scorecard.





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## EMPLOYMENT EQUITY

**The Employment Equity Act** requires businesses that employ more than 50 people to submit Employment Equity Plans/Reports to the Department of Labour before **January** of each year.

### **Businesses that fail to comply could potentially:**

- Face fines of up to R2,7 million or 10% of annual turnover. The Employment Equity Act creates various criminal offences and stipulates that **no points** may be awarded under the Employment Equity element for BEE purposes if an **Employment Equity Report** was not submitted.

### **OUR VALUE-ADDING SKILLS FACILITATION SERVICE**

In order to create synergy between the Skills Development Act, the Employment Equity Act and the BEE Codes, SERR SYNERGY will on behalf of the client:

- ensure that your business is registered with the relevant SETA.
- act as Skills Development Facilitator (SDF) for your business.
- complete and submit an annual Workplace Skills Plan and Pivotal Plan.
- complete and submit quarterly reports.
- claim annually from your industry-specific SETA.
- introduce accredited training programmes for the business to be presented by accredited training providers.
- introduce learnerships and youth subsidies.
- draft an Employment Equity Plan.
- submit annual Employment Equity reports.
- assist with the establishment of Training and Employment Equity Committees.