

Skills development - a forgotten concept amid covid-19 crisis



As the Workplace Skills Plan (WSP) and Annual Training Reports (ATR) submission deadline draws closer, employers are encouraged to make their skills development submissions as soon as possible because unlike the previous year, there will not be an automatic extension, says Skills Development and Employment Equity Specialist, Teboho Motsoane of Strata-G Labour Solutions.

“Companies that have not submitted their WSP and ATR will not receive any reimbursements or grants against levies already paid. However, reimbursements are not linked to the amount of money companies spend on training, but rather on the value of an organisation’s payroll. Furthermore, failing to meet the submission deadline could have adverse effects on a company’s Broad-Based Black Economic Empowerment (BBBEE) points, which can be claimed under the skills development element of the BBBEE scorecard,” explains Motsoane.

According to the Skills Development Levies Act, every company that pays more than R500,000 per year in salaries, must be registered with the South African Revenue Services (SARS) to pay Skills Development Levies (SDL). Failure or late payment of the SDLs may result in both interest and penalties for late or non-payment of levies.

“COVID-19 has also harmed the bottom line of a lot of companies. Entities that are already paying their skills levies can maximise their return on investment by making their skills development submissions and receiving reimbursements,” explains Motsoane.

She says companies that qualify for mandatory grants can claim up to 20% of their Skills Development

Levy spend from their specific Sector Education and Training Authority (SETA). Companies can further receive an additional discretionary grant from the SETA of up to 49.5%, thus making training more affordable.

“These benefits are not only reserved for companies that administered formal education such as apprenticeships and learnership to their employees, but also include on-the-job-learning and or other informal training methods,” adds Motsoane.

But the savings do not end there. Businesses that make timeous submissions and implement learnerships may attain training budgets through substantial tax allowances and youth employment incentives.

“Any bit of knowledge and skills transference, whether it is an induction or brush up on forgotten skills and knowledge, counts as training. But very much like formal training, the employer may also leverage on informal training for reimbursements. Hence they must maintain training records, as proof of the training conducted.

Another vital component of the skills development submissions is ensuring that an organisation with more than 50 employees elects a Skills Development Training Committee (SDTC) to consult on all skills development-related programmes, as they may determine the scarce and critical skills gaps of employees and the organisation. The committee is an advisory platform that also represents, communicates with and gathers feedback from employees and other stakeholders on skills development matters,” explains Motsoane.

She says, businesses may forfeit prized revenue by not following due processes and procedures as every SETA has specific submission requirements and very different uploading templates and portals.

“Every employer must train their employees as mandated by the Skills Development Act, which aims to expand the knowledge and competencies of the labour force, improve productivity, increase employment and eradicate inequality in society. But organisations that find the submission process overwhelming, to avoid losing out on reimbursements and BBBEE points, can utilise the expertise of a qualified Skills Development Facilitator to assist them to get the most out of the process,” concludes Motsoane.

The deadline for submissions of Workplace Skills Plan and Annual Training Reports falls on 30 April 2020 and employers are urged to begin the process sooner rather than later, in order to ensure compliance as well as derive the benefits!

Teboho Motsoane, Skills Development and Employment Equity Specialist, Strata-G Labour Solutions