An Institute of Safety Management Initiative

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So what is Skills Development all about?

• Programme:
  • Provide information and advice of legislation related to Skills Development
  • Provide information and advice concerning learning and assessment
Part 1: Provide information and advice related to Skills Development

Legislation Governing Skills Development in South Africa

• The National Education Policy Act (Act 27 of 1996)
• The South African Qualifications Act (Act 58 of 1995)
• The Skills Development Act (Act 97 of 1998)
• The Skills Development Levies Act (Act 9 of 1999)
• The Employment Equity Act (Act 55 of 1998)
• Labour Relations Act (Act 66 of 1995)
How do these laws relate to each other?

SKILLS DEVELOPMENT LEVIES ACT

SKILLS DEVELOPMENT ACT

LABOUR RELATIONS ACT

OCCUPATIONAL HEALTH AND SAFETY ACT

EMployment EQUITY ACT

BASIC CONDITIONS OF EMPLOYMENT ACT
• Education and Training is a basic human right to which all people should have access on a life long basis irrespective of class, race, gender creed or age.

• The acknowledgement that education and training should be fair, equitable, open and accessible and not open to past inequalities. Should improve quality of delivery, encourage independent thinking and celebrate diversity of cultures, languages and religions.

National Education Policy Act (Act 27 of 1996)
The SAQA Act and the NQF are used to achieve an integration approach to learning in South Africa.

SAQA = South Africa Qualifications Authority
NQF = National Qualifications Framework
The South African Qualifications Act (Act 58 of 1995)

• Tasked to oversee the development and implementation of the National Qualifications Framework (NQF)
  • Formulate Policies and criteria for the registration of bodies responsible for establishing standards.
  • Accredit bodies responsible for monitoring standards.
  • SAQA had to oversee the implementation of the NQF
  • The registration of national standards and qualifications on the NQF
  • Registration of learners against the NQF

Objectives:
• Mobility and progression within education and training
• Redressing past unfair discrimination
• Enhancing the quality of education
• Improve skills of SA learners and workers
• Recognizing prior learning

- 10 levels on the NQF
- Create a single integrated national framework for learning achievements
- Mobility and progression within education, training and career path
- Enhance the quality of education and training
- Redress of past unfair discrimination in education, training and employment opportunities
Principles of the NQF

The principles that underpin the objectives of the NQF point to expectations regarding to what is educationally sound in South Africa.

- Integration
- Relevance
- Credibility
- Flexibility
- Standards
- Legitimacy
- Access
- Articulation
- Progression
- Portability
- Recognition of Prior Learning (RPL)
- Guidance to learners
NQF Structure

- 10 Levels on the NQF
- 3 Bands General Education and Training (NQF1)
  - Further Education and Training (NQF2-4)
  - Higher Education and Training (NQF5-10)
- Formal learning takes place in schools, colleges and universities
- Informal learning takes place in workplaces, communities, churches etc
The National Learners’ Records Database (NLRD)

- Developed by SAQA
- The NLRD is the electronic MS of the NQF and enables SAQA to report on most aspects of the education and training system in SA.

- Credits are awarded to all registered unit standards and qualifications
- One credit = 10 notional hours
- A notional hour is the average time it would take the average learner to achieve the outcomes for which the credits are awarded.
- It includes time spent on mastering the skills and knowledge.
- Includes the theoretical, practical learning as well as the assessment process

Information from NLRD
- SAQA, sub structures and Standard Generating Bodies (SGB’s) details
- US and qualifications registered on the NQF including exit outcomes and assessments
- ETQA’s and their Unit standards and qualifications
- Accredited providers and registered assessors
- SAQA appointed moderating bodies
- The records of learners who achieve the outcomes of unit standards or qualifications registered on the NQF and their achievements
How does information get onto the NLRD?

- Training Provider sends its learners achievement data to the Education and Training Quality Assurance Body (ETQA) that accredits that particular qualification.
- The ETQA passes the information on to NLRD in the format specified by SAQA.
- Each Standards Generating Body (SGB) or task team evaluate their unit standards/qualifications and send to NLRD for on line capturing.
The Skills Development Act

• To provide an institutional framework to devise and implement national, sector and workplace strategies to develop and improve the skills of the South African workforce

• To integrate those strategies within the National Qualifications Framework contemplated in the South Africa Qualifications Authority Act 1995

• To provide for leaner ships that lead to recognized occupational qualifications

• To provide for and regulate employment services and matters connected therewith

• For more information access: http://www.labour.gov.za/DOL.legislation/acts/skills-development/read-online/amended-skills-development-act
The National Skills Authority

• The NSA is established through legislation by the Department of Labour and has the following functions:
• To advise the Minister of Labour on-
  - A national skills development policy
  - A national skills development strategy
  - Guidelines on the implementation of the national skills development strategy
  - Allocation of subsidies from the National Skills Fund
  - Any regulations pertaining to skills development to be made
• To liaise with SETA on-
  - The national skills development policy
  - The national skills development strategy
Sector Education and Training Authority (SETA)

- SETAs can be established for any national economic sector, the sector must be discrete according to the classification of employers and must further take into account:
  - The education and training needs of employers and employees that:
    - Use similar materials, processes and techniques
    - Make similar products
    - Render similar services
    - The potential of the sector for coherent occupational structures and career pathing
    - The scope of any national strategies for economic growth and development
    - The organizational structures of the trade unions, employer organisations and government in closely related sectors.
    - Any consensus that there may be between organized labour, organized employers and relevant government departments as to the definition of any sector and
    - The financial and organizational ability of the proposed sector to support a SETA
What is the main purpose of the SETA?

There are 21 SETAs each classified according to economic sectors.

Skills Development Act:

- Develop a Sector Skills Plan
- Implement Sector Skills Plan
- Develop /administer Learnerships
- Support implementation of NQF
- Undertake Quality Assurance SETA will:
  - Accredit education & Training Providers

Ensure that Programmes are followed
- Register Assessors
- Collaborate with ETQA’s
- Report to SAQA on how role of ETQA fulfulling
- Disburse levies collected from employers in their sectors
- Report to Minister and to SAQA on funds SDLA with DoL
Sector Skills Plans

• SETAs must work out a sector skills plan and implement the plan by:
  
  • starting learner ships;
  
  • approving workplace skills plans from employers;
  
  • giving funds to employers, trainers and workers; and
  
  • watching over education and training in their sectors.

Based on legislation in Section 11, of the Skills Development Act
To Participate you need to pay
SARS the SDL

• So who is liable for SDL?

If you have one or more employees, you liable
and you MUST register for SDL.

When must I register for SDL?

You must register for SDL when you register for
employees’ tax and Unemployment Insurance
Fund (UIF).

SARS has made the procedures to register and
administer the levy as painless and hassle-free
as possible.

The application form to register for SDL is the
same form you use to register for employees tax
(i.e. the EMP101).

• The Skills Development Levy (SDL) is a company
contribution that companies pay every month.
This levy funds education and training through
the Skills Education Training Authorities
(SETAs).
What are the benefits for participating?

- Employers benefit from financial incentives (Sec 12H(a) a SARS incentive)
- Organizations will also optimize their B-BBEE compliance by aligning training objectives and will address skills shortages through participation.

ACT : INCOME TAX ACT 58 OF 1962 SECTION : SECTION 12H
SUBJECT : ADDITIONAL DEDUCTION FOR LEARNERSHIP AGREEMENTS

2. **Background**

Section 12H provides additional deductions to employers for qualifying learnership agreements. These additional deductions are intended as an incentive for employers to train employees in a regulated environment in order to encourage skills development and job creation. Training contracts qualifying for these deductions are learnership agreements and apprenticeships registered with a SETA. These additional deductions consist of an annual allowance and a completion allowance. Effective from 1 October 2016, the amount of the allowance will depend on the NQF level held by the learner before entering into the learnership agreement.
Where does the money go?

• SARS collects all SDL’s
• 20% goes to National Skills Fund
• 80% to SETA’s
• SETA’s retain 10% for admin
• .05% to QCTO for quality assurance
• 20% is dispersed back to complaint and participating employers.
• Allocate 49% to their Pivotal pool of funds
• 80% of this Pivotal pool of funds is available to employers in the form of a Pivotal Grant (subject to application and successful submission of a Pivotal Grant Plan)
• 20% is reserved for Discretionary funding of compliant employers

Non compliant employers’ Mandatory Grant is swept into the discretionary pool. SETAs may apply for additional funding from National Skills Fund

Should SETAs not use the funds they are swept back to the NSF
What is a Mandatory Grant and how do I access it?

Mandatory Grant reimburses training expenses (both internal and external) by a compliant employer of up to 20% of their Skills Development Levy contribution subject to:

- Up to date with SDLs due
- The compliant compilation by 30 June of a Workplace Skills Plan (next reporting period April to March)
- An Annual Training Report (previous reporting period explaining variances)

Mandatory grants of 20% of the total levies paid will be paid monthly.
• Compliant Employers will have:

• More than 50 staff members
  • A representative Skills Development Committee
    • Who will be collaborated on to identify skills requirements – meeting minutes as evidence thereof

• Less than 50 staff members
  • No requirement for a committee
  • A simplified WSP & ATR submission required
  • The historical WSP (from 1 April 2013) to satisfy the criteria for implementation outlines by the SETA.
  • Unionized workplaces consulting and approving WSP & ATR submissions including its sign—off by an appropriately empowered Employee Representative.
The Skills Development Levies Act

- Employers pay 1% levy of their total salary and wage bill to SARS
- More than half of the contribution is available for the reimbursement of training expenses incurred by them
- These are called:
  - Mandatory
  - Pivotal
  - And discretionary funding

Who pays Skills Development Levies (SDL)?

- All employers except:
  - The public sector
  - Religious or charity organisations
  - Public entities that get more than 80% of their money from Parliament
  - Employers whose total pay to all workers is less than R 500,000 per annum
What is Discretionary Funding?

• Companies who do not participate, forfeit their mandatory grant each year
• The unclaimed money, plus the SETA’s discretionary allocation and any special funding received by SETA from the National Skills fund, provides funding to participating employers in excess of what is available as their Mandatory Grant (20% of their 1% Skills Development Levy) and Pivotal Grant (up to 49% of their 1% Skills Development Levy)
• This funding is applied for and allocated by the employers’ SETA, at their sole discretion.
Pivotal Grants

- The Professional, Vocational, Technical and Academic Learning
- The professional areas of studies at universities of technologies and Further Education and Training (FET) institutions combine theory with structured learning in a workplace.
- The practical experience takes place in the work place in the form of apprenticeships, learner ships, internships, skills programmes.

PIVOTAL grants will be payable to those employers who can prove that they have spent more than 3% of their payroll on training as reported in their WSP.
The National Skills Fund

1% SDL collected by SARS

20% National Skills Fund

National Skills Development Strategy
Development areas are:
• Learnerships, Apprenticeships and internships
• Adult Based Education and Training AET
• Skills Programmes (funded by subsidies NQF Registered qualification monitored by DG)
• Bursaries and study support

National Skills Fund was established in terms of the Skills Development Act of 1998 and is a fund that is located in the Department of Labour. Skills Development Act stipulates that the funds from the NSF are used to fund:
• Projects identified in the National Skills Development Strategy (NSDS) as national priorities
• Other projects related to the achievement of the purposes of the Skills Development Act as the Director General may determine.
Employment Equity Act (Act 55 1998)

The primary focus of the EEA is to promote equity and non-discrimination in the employment sector

- To promote the constitutional rights of equality and the exercise true democracy
- To eliminate unfair discrimination in the workplace
- To ensure implementation of employment equity
- To achieve a diverse workforce broadly representative of the South African people
- To promote economic development and efficiency in the workplace
Basic Conditions of Employment

The purpose of the BCEA is to establish and enforce basic conditions of employment so as to advance economic development it has two primary objectives

• Ensure working conditions meet standards which are socially acceptable and relevant to the level of development of the country

• Remove the rigidities and inefficiencies from the regulation of minimum conditions of employment and promote flexibility

Work time and rules
Termination and prohibitions

Termination and prohibitions
Remuneration and deductions
Labour Relations Act (Act 66 1995)

The purpose of this act is to realize and regulate the fundamental rights of employees and employers as stipulated in the Constitution. It regulates the following areas:

• Freedom of association and general protection
• Collective bargaining
• Strikes and lock outs
• Trade unions and employers organisations
• Dispute resolutions
• Unfair dismissals
Occupational Health and Safety Act (Act 85 1993)

The purpose of the OHSA is to ensure safety of working environment in order to reduce work related injury and death

- It covers:

  - Duties of employers concerning health and safety
  - Duties of employees concerning health and safety
  - Advisory council for occupational health and safety
  - Penalties for offences
The Employment Equity Act chart (EEA) and The Basic Conditions of Employment (BCEA) poster must be displayed at all times on your premises.

A copy of the Occupational Health & Safety Act (OHSA) + Regulations must be on your premises and be available to all employees on request but does not have to be on display. Avoid costly fines by displaying the required acts.
Part 2: Provide information and advice concerning learning and assessment

- Option available for training
- Learnerships
- Skills programmes
- Formal Learning
- Informal Learning
What is a Learnership?

• A learnership is a work based learning programme that leads to an NQF registered qualification.

• Learnerships are managed by Sector Education and Training Authorities (SETAs).

• Learnership programmes gain the necessary skills and workplace experience.

• Learnerships are based on legally binding agreement between an employer, a learner and a Training Provider.

• A learnership requires that a learner enter into a fixed term employment contract with the company whilst studying towards a qualification registered on the National Qualifications Framework (NQF),
• Learnerships promote access to education and training, as they allow you to work and get started on your career while also studying

• All 21 SETAs have developed NQF-aligned programmes

• Learnerships require you to complete a theoretical course as well as practical training, which is done at a workplace,

• The number of credits needed to graduate varies from learnership to learnership,

• Learnerships are available for young people who have completed school, college or learning at other training institutions. You must be older than 16 and younger than 35

• Unemployed South Africans can only participate in a learnership if there is an employer prepared to provide the required work experience. (18.2 learners)
• Employed learners are 18.1 learners

• Different learnerships have different entry requirements.

• For many learnerships, the minimum entry requirement is a National Senior Certificate or National Certificate:

• You may have better employment opportunities after completing a learnership;

• You have a fixed-term employment contract for the duration of the learnership;

• Learnerships improve on the job performance so you are able to do things relevant to the job;

• You obtain a nationally-recognised qualification that is relevant to the sector; and

• You earn a learner allowance for the duration of the learnership.
• Learnerships are generally funded by a relevant SETA.
• There is a specified minimum learner allowance that must be paid to unemployed learners in a learnership. This is not a salary but covers expenses like travel and meals.
• Note: The amount paid as a learner allowance depends on the SETA, type of learnership and the level of qualification.
• Learnerships will last as long as it takes to complete the qualification usually one or two years
• During the learnership, learners will be required to complete assignments, tasks and practical tests and projects. They will be formally assessed in the classroom and workplace.
• If all these assignments are completed successfully, they will be awarded an NQF-registered qualification, that is recognised nationally.
• Incentives for employers to assist with funding:
• Cash grants and Tax incentives.
Cash Grants

• Levy paying employers can claim cash grants to offset learnership costs
• SETA’s can also provide grants at their discretion for the funding of learnerships
Tax Incentives on Learnerships

• For 18(1) learners who are already employed and have registered with SETA
  • Employer can deduct 70% of the annual wages paid to the learner up to a maximum of R 20000
• For 18(2) learners who are unemployed and have registered with SETA.
  • Employer can deduct 100% of the learnership allowance paid to that learner up to a maximum of R 30000 during the relevant year
People with Disabilities

• Employer will be able to deduct

• 150% of the annual salary of a previously employed learner up to a max of R 40K

• 175% of the allowance paid to an unemployed learner up to a max of R 50k
Obligations of the different parties

**Employer**
- Employ learner for learnership period
- Provide learner with specified practical work experience
- Release learner to attend training

**Learner**
- Work for the employer
- Attend specified training
- Meet the requirements of the qualification

**Training Provider**
- Provide education and training
- Provide learner support
- Can be changed with learners consent
- Can be changed with approval of SETA who registered agreement

Learnership agreement registered with SETA
Termination of agreement approved by SETA
Conduct or capacity reasons for dismissal
Skills Programmes

- Occupationally based
- Carries credits towards a full qualification registered on the NQF
- Is offered by an accredited training provider
- Complies with prescribed requirements
Formal and Informal

• Formal Training refers to training that takes place in a formal training situation and results in a qualification.

• Information Training can be used for acquiring new skills and knowledge and will not lead to the award of credits on the NQF.