



**EMPLOYERS CIRCULAR NO. 8/2009
TRAINING INCENTIVE FOR SMALL ENTERPRISES**

1. PURPOSE

- 1.1 The purpose of this circular is to inform employers and training providers that PSMB will provide training incentive for small employers registered under the Human Resources Development Fund (HRDF). Small employers with the number of employees and paid up capital as tabulated in paragraph 1.2 will be eligible for the training incentive at the rate of RM1.00 for every RM1.00 spent on retraining and skills upgrading of their employees.
- 1.2 The definition of small employers in the services and manufacturing sectors by the National SME Development Council is adopted by PSMB and shown in Table 1.

Table 1: Definition Of Small Employers

Sectors	Number of Employees	Amount of Paid Up Capital
Manufacturing	50 employees or less	Less than RM 2.5 million
Services	19 employees or less	Less than RM 2.5 million

- 1.3 The objective of the training incentive is to encourage small employers to systematically retrain and upgrade the skills of their employees.

2. IMPLEMENTATION OF THE TRAINING INCENTIVE

- 2.1 The rate of the training incentive is RM 1.00 for every RM 1.00 levy spent on retraining and skills upgrading by the small employers.
- 2.2 As the fund is limited and in order to distribute the training incentive widely, the incentive will be allocated as follows:
- Availability of the incentive will be based on "first come, first served" basis for training claims submitted;
 - The incentive will be allocated by State based on the percentage of small employers located in each State; and
 - Each small employer will be given incentive up to a maximum number of 2 claims per month and will be limited to a total of 6 claims.

2.3 Training incentive will be provided for training conducted by training providers registered with PSMB under the following schemes:

- a) SBL-Khas;
- b) PROLUS;
- c) PERLA;
- d) SMETAP;
- e) SME OJT; and
- f) SBL and SLB Scheme by internal trainers.

If small employers do not have sufficient levy balance and cannot obtain training grant approval under the SBL-Khas Scheme, they are encouraged to conduct training under the PROLUS Scheme.

2.4 Training incentive will **not be provided** for the following schemes and training programmes:

- a) SBL and SLB Scheme by external trainers;
- b) Purchase of Training Equipment and Setting Up of Training Room Scheme;
- c) Information Technology and Computer Aided Training Scheme;
- d) Computer Based Training Scheme;
- e) Juruplan Scheme;
- f) SME TNA Consultancy Scheme;
- g) Industrial Training Scheme; and
- h) Motivational or teambuilding programmes.

2.5 Training incentive will also **not be provided** under the following conditions:

- a) Small employers who had benefited from the SME TNA Consultancy Scheme until they have completely utilized at least RM20,000 of the levy balances for training programmes under the PLT Scheme;
- b) Small employers with arrears in levy payments and interest; and
- c) Small employers who send more than 5 participants per session for public programme.

2.6 Training incentive will only be reimbursed through the E-Disbursement system. In order to receive the training incentives, small employers and training providers must register their bank accounts with PSMB by filling forms *PSMB/e-disbursement/1/08* and *PSMB/e-disbursement/2/08* that can be obtained from the PSMB Portal at www.hrdf.com.my.

3. IMPLEMENTATION REQUIREMENTS ON TRAINING PROVIDERS RELATED TO THE TRAINING INCENTIVE

3.1 Training providers have to conduct training programmes in accordance to what had been approved by PSMB. PSMB will conduct periodic audits to verify training conducted.

3.2 Training Providers are advised to keep evidence of training conducted in the form of digital photographs or video clips of training (i.e. faces of all participants, trainers, training manuals / handouts and backdrop [if backdrop is applicable]) on each day of the training. The photographs / video clips must be kept by Training Providers and to be submitted (e-mail) when requested by PSMB.

4. EFFECTIVE DATE

The training incentive will take effect for approved training programmes that commence from **1st May 2009**. The incentive will end when **the allocation is fully utilised**.

Thank you

**"PEKERJA TERLATIH MENJANA KECEMERLANGAN"
"PEKERJA INOVATIF NEGARA KOMPETITIF"**

Yours sincerely,

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