



EMPLOYERS' CIRCULAR NO. 10/2008
NEW RATES OF DAILY ALLOWANCES

1. PURPOSE

- 1.1 The purpose of this circular is to inform employers on the new rates of daily allowances when training are conducted in hotels / training venues which are located within and beyond 50km from the employers' premises.

2. BACKGROUND

- 2.1 In the Employers Circular No. 6/2006, the rate of daily allowances for hotel rental packages / training venues that do not involve overnight accommodation was increased from RM50.00 to RM80.00 per trainee per day. If accommodation was required for "in-house training" conducted in hotels / training places which were located beyond 50km from the employers' premises, the rate of daily allowances was increased from RM150.00 to RM200.00 per trainee per day. Hotel receipts showing proof of accommodation must be attached when claims were submitted for reimbursements. Payment vouchers were not accepted as proof for reimbursement. The cost of food and transportation between hotels/ training venues and employers' premises (within or more than 50km) were included in the daily allowances.
- 2.2 Under the same circular, it is also stated that for "in-house training" conducted externally in hotels / training venues, employers are eligible to claim one-half of the eligible rate if the "in-house training" (part of programme) is conducted in a hotel for a duration of at least four (4) hours a day. Only training programmes with a duration of at least 7 training hours are allowed.

3. FACTORS CONSIDERED IN REVIEW OF DAILY ALLOWANCES

- 3.1 Daily allowances paid to employers are inclusive of food, lodging and transport which are payable to the trainees for the duration of the training programme(s). Recently, food prices, hotel accommodation and land transportation have increased. Employers sending their employees for training especially for those who require hotel accommodation, feel the current rate of daily allowances is insufficient given the current rising costs. PSMB needs to be sensitive to the needs of the employers and it is timely to increase the daily allowances for employees undergoing training locally and overseas.
- 3.2 There are training conducted at company's training centers equipped with accommodation facilities which made it difficult for employers to produce receipts. There are also some trainees who would prefer to stay with friends or relatives while attending training and they are allowed to claim for lodging allowances under their companies' policies. The Finance Division at PSMB occasionally received unpleasant encounters with employers when claims were not approved on the amount of financial assistance that had been approved by the Training Grant Division because employers were unable to show hotel receipts for accommodation. To avoid such incidents, the Secretariat was asked to consider daily allowances for employers at a reasonable rate if employers are unable to provide proof of hotel accommodation.

- 3.3 Training activities in Sabah and Sarawak are generally much lower as compared to the major states in Peninsula Malaysia. One of the reasons given by the employers is that there is a lack of training providers in these two states but training providers in Peninsula Malaysia are reluctant to send their trainers over to Sabah and Sarawak to conduct training as the fee paid by the HRDF is insufficient to cover their expenses. To engage trainers from Peninsula Malaysia, employers have to pay for the trainers' airfares, hotel accommodation and food expenses but there are some employers who are reluctant to do so. To encourage more training providers from Peninsula Malaysia to conduct training in Sabah and Sarawak, employers suggested that the expenses for trainers' airfares, hotel accommodation and food expenses be claimable from the HRDF and not be part of the training fee to be borne by the training providers.

4. NEW RATES OF DAILY ALLOWANCES FOR TRAINING

- 4.1 In view of the numerous requests from employers and feedback from dialogues held with employers' associations, PSMB had been asked to review the rates of daily allowances. The PSMB's Board of Directors at its recent meeting held on 23 September 2008 had decided on the following:-

a. An increase in the daily allowance (without accommodation) for allowable costs from RM80 to RM100 when training is conducted in hotels/training venues which are located less than 50km from the employers' premises;

b. An increase in the daily allowance (including accommodation with hotel receipts) from RM200 to RM250 for allowable costs when training is conducted in hotels / training venues which are located beyond 50km from the employers' premises;

c. A new rate of daily allowance at RM150 for allowable costs when training requiring accommodation (without hotel receipts) is conducted in hotels/training venues which are located beyond 50km from the employers' premises;

d. An increase in the rate of daily allowance from RM600 to RM800 for allowable costs when trainees attending training overseas; and

e. Daily allowances (same rate as for trainees) and airfares at economy class for trainer(s) from Peninsula Malaysia when conducting training in Sabah or Sarawak to be claimable by employers from the HRDF and vice-versa.

5. CONCLUSION

- 5.1 PSMB hopes that the decisions of the Board will encourage employers to organise more training activities and also training providers from Peninsula Malaysia to conduct training in Sabah and Sarawak and vice-versa.

- 5.2 This circular is effective from the date of this circular letter.

Thank you.

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

Yours sincerely,

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Pembangunan Sumber Manusia Berhad

Copy to : All PSMB's Approved Training Providers