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(Human Resources Development Berhad)
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29th October 2008

EMPLOYERS CIRCULAR NO. 13/2008
TRAINING INCENTIVE SCHEME FOR SMALL ENTERPRISES

1. PURPOSE

- 1.1 The purpose of this Circular is to inform employers and training providers that the fund for the Training Incentive Scheme for small employers registered under the Human Resources Development Fund (HRDF) will not be allocated by State effective from 1st November 2008.

2. BACKGROUND

- 2.1 As per the Employers Circular No. 4 / 2008 and Employers Circular No. 8 / 2008, the objective of the Training Incentive Scheme is to encourage small employers to systematically retrain and upgrade the skills of their employees. Registered employers from the manufacturing and services sectors with 10 - 49 workers and a paid-up capital of less than RM2.5 million are eligible for the training incentive at the rate of RM1.00 for every RM1.00 spent on retraining and skills upgrading of their employees.
- 2.2 The fund for the incentive was allocated by State based on the percentage of small employers located in each State and was distributed based on "first come, first served" basis until the allocation is fully spent. By 1st November 2008, this control on allocation by State would have been in place for 5 months.
- 2.3 PSMB had reviewed the progress of the scheme and decided to lift the control of allocation by State so that active employers can gain access to the fund.

3. IMPLEMENTATION OF THE TRAINING INCENTIVE SCHEME WITH EFFECT FROM 1ST NOVEMBER 2008

- 3.1 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.
- 3.2 As the fund is limited and in order to distribute the training incentive widely for employers active in retraining and skills upgrading, the incentive with effect from 1st November 2008 will be allocated as follows: -
- a) availability of the incentive will be based on "first come, first served" basis for training claims submitted and not based on approvals for training grants;
- b) 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 since June 2008 when this training incentive was first implemented; and
- c) training incentive is applicable only for training provided by training providers registered with PSMB and in-house training programmes under the SBL Scheme conducted by employers' personnel as internal trainers. The list of registered training providers can be obtained at

http://www.hrdnet.com.my/hrdnet/PSMBskim/prolus08_result.cfm
http://www.hrdnet.com.my/hrdnet/PSMBskim/khas08_result.cfm .

and

3.3 The training incentive is not applicable for the following schemes :-

- a) Purchase of Training Equipment And Setting Up of Training Room Scheme;
- b) Information Technology And Computer-Aided Training Scheme;
- c) Computer-Based Training Scheme;
- d) Juruplan Scheme; and
- e) Industrial Training Scheme.

4. REQUIREMENTS ON TRAINING PROVIDERS RELATED TO TRAINING INCENTIVE SCHEME

4.1 Training providers have to conduct training programmes in accordance to what had been approved. PSMB will conduct periodic audits to verify training conducted under this scheme.

4.2 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.

5. EFFECTIVE DATE

This circular replaces the Employers Circular No. 8 / 2008 and will take effect from 1st November 2008. The Training Incentive Scheme will ends when the allocation is fully spent.

Thank you.

"PEKERJA TERLATIH MENJANA KECEMERLANGAN "
"PEKERJA INNOVATIF NEGARA KOMPETITIF"

Yours Sincerely,

(LIM KAH CHENG)

General Manager
Small and Medium Enterprises Division
for Chief Executive
Pembangunan Sumber Manusia Berhad