



PEMBANGUNAN SUMBER MANUSIA BERHAD
(Human Resources Development Berhad)
WISMA PSMB
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20 March 2009

EMPLOYERS CIRCULAR NO. 4/2009

REDUCTION IN THE RATE OF PAYMENT AND EXEMPTION OF THE HUMAN RESOURCES DEVELOPMENT LEVY

1.0 PURPOSE

- 1.1 The purpose of this Circular is to inform employers on:
- (a) the reduction in the rate of payment of the human resources development (HRD) levy from 1% to 0.5% for 2 years for employers registered with Pembangunan Sumber Manusia Berhad (PSMB) except employers in the textile industry, and electronics and electrical industry with effect from 1 April 2009 to 31 March 2011; and
 - (b) the exemption of the HRD levy for small employers in the manufacturing sector for the same period.

2.0 BACKGROUND

- 2.1 The Most Honourable Deputy Prime Minister when tabling the 2009 Mini Budget in Parliament on 10 March 2009 had announced the reduction in the rate of payment of the HRD levy for all employers registered with PSMB except for employers in the textile industry, and electronics and electrical industry from 1% to 0.5% for 2 years with effect from 1 April 2009 to 31 March 2011. The purpose of the reduction is to assist employers who faced declining demand during the global economic crisis in lowering the cost of doing business.
- 2.2 As for employers in the textile industry, and electronics and electrical industry who have been exempted from paying the HRD levy for 6 months effective 1 February 2009, they

are required to pay the HRD levy at the rate of 0.5% beginning 1 August 2009 until 31 March 2011.

2.3 For small employers in the manufacturing sector who are currently paying the HRD levy at the rate of 0.5%, they will be fully exempted from paying the HRD levy for the same period until 31 March 2011.

2.4 Small employers are defined as employers having 10 to 49 employees and with a paid-up capital of less than RM2.5 million. Small employers can determine their status by referring to Employer Online System (EIS) at PSMB's website.

3.0 CLARIFICATION ON RATE AND DURATION OF REDUCTION AND EXEMPTION OF LEVY PAYMENT

3.1 For all employers except employers in the textile industry, and electronics and electrical industry, the HRD levy for the month of March 2009 is to be paid at the rate of 1% and for the subsequent months beginning April 2009 until March 2011 at the rate of 0.5%.

3.2 As for employers in the textile industry, and electronics and electrical industry, the payment of the HRD levy for the month of August 2009 until March 2011 is also to be paid at the rate of 0.5%.

3.3 In the case of small employers, they do not have to pay the HRD levy for the month of April 2009 until March 2011. The last date to pay the HRD levy for the month of March 2009 is 30 April 2009.

3.4 To assist employers in determining the rate and duration of the reduction and exemption of the HRD levy by industries, please refer to Attachment A.

4.0 APPLICATION FOR TRAINING GRANTS

4.1 Even though the rate of payment of the HRD levy has been reduced, employers are encouraged to apply for training grant assistance and sent their workers for training using the levy balance in their levy accounts.

4.2 As for small employers who are exempted from paying the HRD levy for 2 years effective 1 April 2009, they are also encouraged to utilise their levy to upgrade the skills and knowledge of their workforce.

5.0 CLOSING

5.1 Please feel free to contact our Customer Service Centre at 03 – 2096 4600 or the following officers should you require further clarification or assistance.

- (i) Mohd. Nazali bin Md. Jidin
(telephone number: 03 – 2096 4842);
- (ii) Siti Haida binti Mohd. Aini
(telephone number: 03 – 2096 4854);
- (iii) Syed Shahrul Hafeez bin Syed Halim
(telephone number: 03 – 2096 4864); and
- (iv) Fauziah binti Masrom
(telephone number: 03 – 2096 4838).

Thank you.

“PEKERJA TERLATIH MENJANA KECEMERLANGAN”

Yours sincerely,

(AMIRNUDDIN BIN MAZLAN)
Deputy Chief Executive (Management)
for Chief Executive
Pembangunan Sumber Manusia Berhad