



EMPLOYERS CIRCULAR NO. 5/2008

INDUSTRIAL TRAINING SCHEME

1. PURPOSE

- 1.1 The purpose of this circular is to inform employers that they are allowed to receive financial assistance to pay for monthly allowances and other "allowable costs" relating to the practical training for trainees at their premises.

2. BACKGROUND

- 2.1 The PSMB Act 2001 was amended and gazetted in February 2008 with the aim in promoting training among employers not only for their employees but also to train apprentices and trainees from the universities and colleges undergoing practical training at their premises. For this Industrial Training Scheme, a trainee is defined as a person studying in a public or private university, institution of higher learning, college or training institute undergoing a practical training programme at an employer's premise. Industrial training means any trainee undergoing work experience at an employer's premise prior to graduation. Industrial training is an essential component in the development of the skills and work experience required of a trainee or undergraduate.

- 2.2 The objectives of industrial training are as follows :

- a. To expose trainees to the various aspects of industrial practices, work experiences and ethics at the workplace;
- b. To increase trainees' knowledge on general workplace behaviour and interpersonal behaviour between individual workers, employers and customers;
- c. To apply the knowledge and experience gained for the preparation of the final year project; and
- d. To enable trainees to choose appropriate careers upon graduation.

3. STRUCTURE OF THE PROGRAMME

- 3.1 For the industrial training to be effective, employers are required to provide trainees with the real-life working environment and to enable them to gain first hand knowledge on the working skills required by the jobs. Training offered to trainees should preferably be related to the field of studies of trainees. Employers and education training institutions should provide a structured programme detailing out the objectives of training and a schedule with contents for trainees to undertake during the industrial training.

- 3.2 During the training, trainees are required to record clearly jobs assigned, problems encountered, details of discussions and tasks accomplished during the programme in either a logbook or diary of progress either on a daily or weekly basis. The reports should include a summary of jobs assigned, contributions and skills acquired during the industrial training. It should be presented to and signed by the host company supervisor at the end of each working week.

- 3.3 At the end of the industrial training, trainees should be more confident, competent and matured to face the actual job challenge. They should be able to develop communication skills in dealing with people and to foster better human relationships among the workers at the workplace so that they can develop self-confidence in their pursue of employment upon graduation.

4. TERMS AND CONDITIONS FOR APPLICATIONS

- 4.1 The PSMB's Board of Directors at its recent meeting held on 24 April 2008 had decided that employers can receive financial assistance to pay for monthly allowances to trainees and other "allowable costs" subject to the following conditions: -

a. The minimum duration of the industrial training programme should be at least 3 months and the maximum duration claimable from the HRDF will be 8 months. Any expenses for a duration exceeding 8 months will have to be borne by employers.

b. Employers are required to submit their applications using form [PSMB/ITS/1/08](#). Application forms are to be submitted to PSMB prior to commencement of training together with the following supporting documents:

i. A copy of the Industrial Placement Confirmation Letter issued by the university, college or training institution with a specified duration of the programme;

ii. A copy of the confirmation letter from employer to be given to trainee to attend industrial training;

iii. A copy of the programme structure with the objectives, learning outcomes and course schedule (preferably in a weekly format) for the entire duration of the training;

iv.. Name of the supervisor(s) from the University, College or Training Institution assigned to give advice and assess trainees' performance, guide the trainees towards the targeted objectives and evaluate the results of the projects during the period of industrial training.

v. Name of the supervisor(s) from the employer assigned to give advice, guide and monitor the progress of trainees; and

vi. Title of project, assignment or research (if any) to be undertaken by trainee during industrial training to be provided either by university, college, training institution or sponsoring employer.

c. A trainee who has withdrawn during the first two weeks of the training programme can be replaced. Employers registered with PSMB do not have to re-apply for financial assistance under the HRDF for the new trainee(s) if the programme structure, discipline and duration of training of the replacement trainee(s) remain unchanged. However, PSMB must be informed the name and IC number of the replacement trainee(s) within two (2) weeks upon the reporting date of the new trainee(s).

d. "Allowable costs" that will be claimable by employers are as follows :-

i. Monthly allowances for trainees up to a maximum of RM500 per trainee;

ii. Personal protective equipment (one set only);

iii. Course fees if employers send trainees for skills enhancement training programmes (if any); and

iv. Insurance coverage (if any).

e. Training under this programme conducted at the employers' premises must be on a full time basis.

f. Attendance of trainees must be at least 75% of the total duration of the training programme in order for employers to be eligible to submit trainee daily allowance claims under the HRDF.

g. Employers can submit their claims to the Finance Division of PSMB using form [PSMB/ITS/T/1/08](#) upon completion of training.

h. Financial assistance to be granted to each employer under this scheme for any one year will be subjected to a maximum of 20% of total levy balance at the time of application. Any additional application under this scheme for the year will be processed based on the balance of the 20% of the levy balance as recorded when processing the first application. This is to ensure that adequate fund will be available for retraining and skills upgrading of employees.

5. EFFECTIVE DATE

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

Thank you.

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

Yours Sincerely,

(TIEW HAI SAN)
Chief Executive
Pembangunan Sumber Manusia Berhad