



EMPLOYERS CIRCULAR NO. 6/2006
"IN-HOUSE TRAINING PROGRAMMES" CONDUCTED IN HOTELS / TRAINING PLACES LOCATED BEYOND 50KM FROM THE EMPLOYERS' PREMISES AND NEW RATES OF DAILY ALLOWANCES

1. PURPOSE

- 1.1 The purpose of this circular is to inform employers regarding :-
1. "in-house training" conducted in hotels / training venues located beyond 50km from employers' premises ; and
 2. new rates of daily allowances for allowable costs.

2. BACKGROUND

- 2.1 **Employer Circular No. 5/1996** , stipulates that employers who do not have suitable training facilities within their premises to conduct in-house programmes can claim for hotel rental packages / training venues and transport.
- 2.2 Under the same circular, it is alsostated that for "in-house training" conducted externally in hotels / training venues, employers are eligible to claim financial assistance in the form of daily allowances of either RM50.00 or RM150.00 per trainee, if accommodation is required, to reimburse the cost of hotel rental packages. The cost of transportation between hotels / training venues and employers' premises (within or more than 50km) is included in the daily allowances.
- 2.3 Subsequently, **Employer Circular No. 11/1998** was issued stipulating that in-house training must be conducted in hotels / training venues located within 50km from employers' premises. Exception can be given where there is no suitable hotel / training venue in the vicinity. The circular also states that employers must provide good reasons as to why their in-house training are to be conducted in venues far away from their workplaces.

3. HOTEL PACKAGES / TRAINING VENUES FOR "IN-HOUSE TRAINING" AND DAILY ALLOWANCES

- 3.1 In view of the numerous requests from employers and feedback from dialogues held with employers' associations, PSMB had been asked to review the guideline for "in-house training" conducted in hotels / training places which are located beyond 50km from the employers' premises as well as the rates of daily allowances. PSMB's Board of Directors at its recent meeting held on 23 March 2006 had decided on the following :
- 3.1.1 "In-house training programmes" are allowed to be conducted externally in hotels / training venues located beyond 50km from employers' premises. Moreover, the hotel / training places must be located within the same State or adjacent states. For example, employers located within Kuala Lumpur or Selangor can organise their "in-house training" in Pahang, Perak or Negeri Sembilan. This will provide them with a wider choice in the selection of venues for training;

- 3.1.2 The rate of daily allowances for hotel rental packages / training venues that do not involve overnight accommodation will be increased from **RM50.00 to RM80.00 per trainee per day**;
- 3.1.3 If accommodation is required, the rate of daily allowances will be increased from **RM150.00 to RM200.00 per trainee per day** and hotel receipts showing proof of accommodation must be attached when claims are submitted for reimbursements. Approval for accommodation will not be granted for training conducted within 50km from the workplace. However, consideration may be given for team-building programmes or other programmes that are conducted up to late in the evenings. Detailed course schedules submitted together with the application forms must indicate the training activities till late in the evenings;
- 3.1.4 Economy traveling by air for trainee(s) and internal trainer(s) attending "in-house training programmes" will not be allowed except for trainee(s) from branch(es);
- 3.1.5 For Sabah and Sarawak, "in-house training" should only be allowed to be conducted in hotel / training venues located within the same State; and
- 3.1.6 One-half of the eligible rate of RM80.00 can be considered 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.

4 CONCLUSION

- 4.1 PSMB hopes that with the decisions of the Board will encourage employers to organise more training activities
- 4.2 This circular is effective **2 May 2006**.

Thank you.

"PEKERJA TERLATIH MENJANA KECEMERLANGAN"
"PEKERJA CEMERLANG NEGARA TERBILANG"

Yang ikhlas,

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for Chief Executive
Pembangunan Sumber Manusia Berhad

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