

*Our ref.* : (31)PSMB/20/8  
Kulit 6  
*Date* : 18 October 2012

## **EMPLOYERS CIRCULAR NO. 9/2012**

### **NEW RATES OF FINANCIAL ASSISTANCE FOR COURSE FEES**

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#### **1.0 PURPOSE**

- 1.1 The purpose of this circular is to inform employers on the new rates of financial assistance for course fees for HRDF training schemes with effect from 1 January 2013.

#### **2.0 BACKGROUND**

- 2.1 In line with the current national agenda, HRDF is much focused to intensify up-skilling, cross skilling and reskilling programmes especially in the technical skill-based and hard skill programmes that will help Malaysia to become a high-income economy by 2020. This aspiration is highly dependable on having a 50% highly skilled workforce out of the total working population.
- 2.2 One of the programmes under the Economic Transformation Programme (ETP) is to transform unskilled and semi-skilled workers to a highly skilled workforce under the up-skilling initiatives, recognition of prior learning and development programmes.

2.3 For the purpose of this circular, unless the context otherwise requires:

- (a) “up-skilling” refers to training programmes that enable employees to gain higher qualification in the same field.
- (b) “reskilling” refers to training programmes that enable employees to gain new qualification or learn different skill or field.
- (c) “functional skills” refers to training programmes that are related to employees’ job competency.
- (d) “technical skills” refers to competency training programmes that are related to a specific technical field.
- (e) “cross-skilling” refers to training programmes that allow employees to do different job skills on rotation basis between different organisational divisions.
- (f) “hard skills” refers to practical and specific teachable abilities or training programmes that can be defined and measured as required in a given context of task or activity.
- (g) “soft skills” refers to behavioural skill sets and personal attributes that enhance employee’s social interactions and personality traits to interact with other people that are applicable in the workplace such as teambuilding, motivation, grooming etc.

### 3.0 IMPLEMENTATION MECHANISM

- 3.1 With effect from 1 January 2013, **course fees** for training programmes that are defined as up-skilling, re-skilling or cross skilling training, English Proficiency Enhancement programme, functional, hard and technical skills-based programmes **will be eligible for financial assistance at the rate of 110%**. Other allowable costs such as daily allowance, meal allowance or rental of training premise will remain at 100%.
- 3.2 However, under the English Proficiency Enhancement programme, each employer is only allowed to train up to 10% of their total employees per year. This is to encourage employers to send more of their employees for other up-skilling, hard and technical-based training programmes.
- 3.3 Other training programmes that do not fall under the definition of up-skilling, re-skilling or cross skilling training, English Proficiency Enhancement programme, functional, hard and technical skills-based programmes shall be considered as soft skill training programmes and **will only be eligible for financial assistance at the rate of 90% for its course fees**. HRDF reserves the right to determine the rate of financial assistance to any training programme not just based on the course title but shall be based on the complete course content.
- 3.4 Notwithstanding paragraph 3.1 and 3.3 above, course fees and allowable costs approved under Employers Circular No. 10/2011 remains unchanged.

- 3.5 The new rates of financial assistance shall only be applicable to the SBL Scheme, SBL-Khas Scheme, PROLUS Scheme, PERLA Scheme, Future Workers Training Scheme and SMETAP Scheme. Other schemes such as Industrial Training Scheme, Purchase of Training Equipment and Setting-up of Training Room Scheme, Computer Based Training Scheme, Training Incentives Scheme and Apprenticeship Scheme are not affected by the new terms and conditions. The financial assistance rate shall remain at 100%.
- 3.6 For overseas training, the rate of financial assistance of 110% will be given for high technology, new technology, new product development, research and development, engineering, marketing and strategic management programmes. Other types of training programmes however, shall remain at 50%.
- 3.7 Examples of the approval and reimbursement processes based on the new rates of financial assistance are shown as below:

<b>Training Scheme</b>	<b>Rate of Financial Assistance *</b>	<b>Course Fee Applied (RM)</b>	<b>Approved Financial Assistance (RM)</b>	<b>Approved Reimbursement Amount ^ (RM)</b>
SBL, PROLUS and Future Workers Training Scheme	110%	1,000	1,100	1,100
		2,000	1,430 (based on the maximum amount of RM1,300 per day for public programme)	1,430
		6,000	6,600 (based on the maximum amount of RM6,000 per day for in-house technical programme)	6,600

<b>Training Scheme</b>	<b>Rate of Financial Assistance *</b>	<b>Course Fee Applied (RM)</b>	<b>Approved Financial Assistance (RM)</b>	<b>Approved Reimbursement Amount ^ (RM)</b>
SBL, PROLUS and Future Workers Training Scheme	90%	1,000	900	900
		2,000	1,170 (based on the maximum amount of RM1,300 per day for public programme)	1,170
		6,000	4,500 (based on the maximum amount of RM5,000 per day for in-house soft skill programme)	4,500
<p>Note:</p> <p>* Other allowable costs shall remain at 100% as per current terms and conditions.</p> <p>^ Subject to the employers' current levy balance.</p>				

<b>Training Scheme</b>	<b>Rate of Financial Assistance *</b>	<b>Course Fee Applied (RM)</b>	<b>Approved Financial Assistance (RM)</b>	<b>Approved Reimbursement Amount ^ (RM)</b>
SBL-Khas, PERLA, and SMETAP Scheme	110%	1,000	1,100	RM1,000 to training provider and RM100 to employer
		2,000	1,430 (based on the maximum amount of RM1,300 per day for public programme)	RM1,300 to training provider and RM130 to the employer
		6,000	6,600 (based on the maximum amount of RM6,000 per day for in-house technical programme)	RM6,000 to training provider and RM600 to employer
SBL-Khas and PERLA Scheme	90%	1,000	900	RM900 to training provider
		1,500	1,170 (based on the maximum amount of RM1,300 per day for public programme)	RM1,170 to training provider
		5,000	4,500 (based on the maximum amount of RM5,000 per day for in-house soft skill programme)	RM4,500 to training provider
<b>Note:</b> * Other allowable costs shall remain at 100% as per current terms and conditions. ^ Subject to the employers' current levy balance.				

3.8 In implementing the new rates of financial assistance, HRDF will determine the eligibility of financial assistance for each application either 110%, 100% or 90% based on the submitted course content. Employers however, can submit an appeal for re-consideration of the rate of financial assistance that had been approved for their training programme. Appeals should be made to the General Manager of the

Training Grant Division before the commencement of the training programme.

- 3.9. HRDF officers shall conduct random inspections on employers' and training providers' premises to ensure the delivery of approved training programmes for all its training schemes. Employers or training providers shall be prosecuted if they have committed an offence under Section 40 of PSMB Act, 2001.

#### **4.0 DATE OF IMPLEMENTATION**

- 4.1 The effective date of the circular is 1 January 2013.
- 4.2 Any online application received in 2012 for training programmes that commence from 1 January 2013 shall be eligible for the new rates of financial assistance.
- 4.3 The new rates of financial assistance shall be reviewed on a yearly basis to determine its effectiveness in meeting its objectives.

#### **5.0 CONCLUSION**

- 5.1 Employers are encourage to send their employees for up-skilling, re-skilling or cross skilling training, English Proficiency Enhancement programme, functional, hard and technical skills-based programmes and to take advantage of the higher financial assistance rate. However, any processing of training grant application and reimbursement of claims are still subject to the main criteria of approval for each scheme under the existing terms and conditions i.e. availability of employers' levy, arrears of levy and unpaid interest, whichever is applicable.

5.2 Please feel free to contact our Customer Service Officer on 1-800-88-4800 or our branch offices should you require further clarification or assistance.

Thank you.

***“HRDF – SHAPING PEOPLE”***  
***“Pekerja Berinovatif Penggerak Transformasi”***

Yours sincerely,

**( AMIRNUDDIN BIN MAZLAN )**  
Chief Executive  
Pembangunan Sumber Manusia Berhad