

Mandatory and Pivotal Grants submission deadline 2023



Skills development has become a strategic priority for enterprises wishing to attain or retain an acceptable B-BBEE level and also meet the requirements of the Skills Development Act.

The Workplace Skills Plan (WSP) and the Annual Training Report (ATR) are instrumental in the establishment of a demand-led skills development system which is responsive to the social and economic needs of South Africa.

In a previous article we explained the important *role of a Skills Development Facilitator*.

This article serves as a reminder that the deadline for submission of Workplace Skills Plans, Pivotal Plans and Annual Training Reports to the SETA of the relevant industry is **30 April 2023**.

Why is workplace skills planning so important?

Workplace skills planning aims to outline how organisations will address their training and skills development requirements. WSP's support employers in the recognition and implementation of various skills development programmes such as learnerships, apprenticeships and internships that will deal with skills gaps within a company.

Where businesses require skills development to be recognised on their B-BBEE scorecard for B-BBEE compliance purposes, the following documents should be submitted to the sector-specific SETA before 30 April 2023:

- **A Workplace Skills Plan (WSP)** – A plan to address training and development needs in the workplace, based on the skills needed by an organisation, describing the range of skills interventions that an organisation will address and implement.
- **An Annual Training Report (ATR)** – A report on the education and training interventions that were delivered in the past year.
- **A Pivotal Training Plan** – A plan to address Professional, Vocational, Technical and Academic learning programmes in the workplace, which meet critical needs for economic growth and social development.
- **A Pivotal Training Report** – A report on Professional, Vocational, Technical and Academic learning programmes that were delivered in the past year.

What are the benefits of submitting a Workplace Skills Plan?

- An organisation will qualify to **recover 20% of their skills development levy spent as a Mandatory Grant** allocated from Skills Development Levies already paid to SARS.
- An organisation **becomes eligible to apply for Discretionary Grants** from the affiliated SETA, provided that a WSP has been accepted and approved by the SETA. These grants can assist the organisation to effectively implement skills plans, e.g. *Learnerships, Apprenticeships, Internships or Skills Programme Training*, as indicated on submission of the WSP and ATR.
- Employers are entitled to Mandatory Grants amounting to 20% of their Skills Development Levy contributions.
- Discretionary Grants will amount to 49,5% of the Skills Development Levy, of which at least 80% must be allocated to Pivotal programmes that address scarce and critical skills.

What are the consequences of failing to submit a Workplace Skills Plan?

Although it is not compulsory by law for businesses to submit a WSP and Pivotal Report, there are certain adverse consequences should a business fail to do so. These consequences include, but are not limited to the following:

- *Zero points will be earned for the Skills Development element on the B-BBEE scorecard.*
- Forfeiture to SARS of Mandatory Grants (20% of your Skills Development levies spent) and Discretionary Grants (potential refunding of learnerships, apprenticeships, internships and other Skills Programme training interventions).
- Unsuccessful tender bids as tenders may be subject to rigorous pre-qualifying criteria such as submission of a Workplace Skills Plan.

The WSP is generally compiled by a qualified Skills Development Facilitator (SDF) and then submitted to the sector-specific SETA. Formulating and submitting these documents can be very time-consuming. Companies wishing to earn these points under *Skills Development for B-BBEE recognition* must ensure that the documents are submitted on or before the end of April each year.

SERR Synergy has a team of experienced Skills Development Facilitators (SDFs) who assist businesses with the completion and submission of these plans and reports by acting as SDFs on your behalf. We offer a comprehensive Skills Development Facilitation service using an integrated approach to training and development initiatives as well as labour compliance that are aligned to your organisational requirements. Our SDF services are aimed at businesses that wish to align their skills development to their strategic corporate objectives. Our team of professionals ensures that you are compliant with the relevant legislation and benchmark with best practice in the industry.

Skills Development 2023 Deadline

With only a few months left for submitting the WSPs and Pivotal Plans, we advise companies to submit these sooner rather than later. These submissions are done online, and experience has shown that online submissions are somewhat burdensome because of possible downtime of the system.

About the author: Francina Joubert joined SERR Synergy in 2015 and has been a registered and practising Skills Development Facilitator for the past 12 years. She currently holds the title of National Manager Skills and EEP.

