

# National Industrial Training Levy FAQs

## What is NITA?

The National Industrial Training Authority (NITA), formerly known as Directorate of Industrial Training (DIT) is a state owned corporation established under the Industrial Training (Amendment) Act of 2011.

Its core function is to promote the highest standards in the quality and efficiency of Industrial Training in Kenya and ensure an adequate supply of properly trained manpower at all levels in the industry.

## What is NITA Levy Fund?

The Industrial Training Levy Fund was established under Section 5 (Cap.237) of the Industrial Training Act. Employers are required to pay levy to NITA annually at a monthly rate of KShs 50 per employee (person employed for wages/salary) including a casual employee. The payment is done through a unified payroll system provided by The Kenya Revenue Authority (KRA), who acts as the collecting agent.

## When was NITA Levy effective?

The Industrial Training Levy (Amendment) Order of 14<sup>th</sup> June 2007, states that “A person who is an employer at the commencement of this Order shall within thirty days after the commencement of this Order, unless already registered, apply to the Director in the prescribed form set out in the Second Schedule, to be registered as an employer”.

## Who is liable to register and remit NITA Levy?

As per the Industrial Training Act, all employers are required to register and contribute to the Industrial Training Levy. However, an employer with less than 100 employees is exempted from registration and payment within the first year of operation, effective from the date of incorporation.

As per the Levy Order 2007, an employee is defined as “a person employed for wages or salary and includes an apprentice, indentured learner, and other trainee, temporary, seasonal and casual worker”.

## How is NITA payable?

The Industrial Training (Training Levy) (Amendment) Order, 2020 requires that employers remit to the Director-General of the National Training Authority (NITA) a levy of KShs 50 per employee per month at the end of each financial year.

The payment is done through a unified payroll system provided by The Kenya Revenue Authority (KRA), who act as the collecting agent.

The levy is payable annually on the 9<sup>th</sup> of the subsequent month following the end of your financial year.

## How is NITA declared on ITax?

NITA levy declared annually together with the PAYE for the last month of your financial year e.g. if your financial year end is December 2021, NITA levy will be declared in the December 2021 PAYE return on or before 9<sup>th</sup> January 2022

## What are the benefits to an Employer registering with NITA?

- Reimbursement in part or full for training costs incurred on employees
- Industrial attachment opportunities and grants to attaching employers
- Compliance with Legal requirement

## What happens if an employer fails to remit Training Levy?

Failure to comply with the requirement to pay the training levy at the end of each financial year will attract a penalty of 5 percent of the amount due.

Failure to comply with the order constitutes an offence that attracts a fine of up to KShs 100,000. In addition, a penalty not exceeding KShs 50,000 applies for every year or part thereof for continuance of non-compliance

### Caveat

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