

**POSSIBLE QUESTIONS AND ANSWERS
FOR HRDF COVID-19 STIMULUS PACKAGES**

BACKGROUND ON MALAYSIA'S 2020 ECONOMIC STIMULUS & PRIHATIN RAKYAT ECONOMIC STIMULUS PACKAGES

QUESTIONS	HRDF RESPONSES
HOW IS HRDF SUPPORTING THE GOVERNMENT'S EFFORTS TO CUSHION THE EFFECTS OF COVID-19?	<ul style="list-style-type: none"> • The Malaysian Government – on 27 February 2020, announced the Economic Stimulus Package 2020; themed “Bolstering Confidence, Stimulating Growth, Protecting Jobs” to help cushion the effects of the Coronavirus disease 2019 (Covid-19). • The aforementioned Stimulus Package is valued at RM20 billion and is anchored on the three-(3) strategies, as below: <ul style="list-style-type: none"> i. Strategy I: Mitigating the impact of Covid-19; ii. Strategy II: Spurring Rakyat-centric economic growth; and iii. Strategy III: Promoting quality investments • However, due to the worsening impact of the Covid-19, the Malaysian Government – on 27 March 2020 had unveiled the Prihatin Rakyat Economic Stimulus Package or PRIHATIN valued at RM250bil to further ease the burden of the Rakyat. • The Human Resources Development Fund (HRDF) - as an agency under the purview of the Ministry of Human Resources, is committed to supporting the Malaysian Government’s efforts with the Fund’s Covid-19 stimulus packages, as outlined in the Economic Stimulus Package 2020 and Prihatin Rakyat Stimulus Package. • For perspective, the objective of HRDF under the under the Pembangunan Sumber Manusia Berhad Act 2001 (Act 612) is the imposition and collection of a human resources development (HRD) levy from employers under 63 sub-sectors within three (3) key economic sectors — Manufacturing, Services, and Mining and Quarrying — with ten (10) or more employees. These employers contribute one (1) per cent of their total monthly payroll to the Fund which we treat as an HRD “levy”.

HRDF COVID-19 STIMULUS PACKAGES

QUESTIONS	HRDF RESPONSES
WHAT DOES THE HRDF COVID-19 STIMULUS PACKAGES COMPRISE OF?	<ul style="list-style-type: none"> • HRDF is introducing two (2) packages under the Economic Stimulus Package 2020 <ul style="list-style-type: none"> i. Covid-19 Stimulus Package 1: Levy Exemption for 63 Sub-Sectors under the Pembangunan Sumber Manusia Berhad Act 2001 (Act 612) ii. Covid-19 Stimulus Package 2: Training Stimulus Package (<i>Pakej Rangsangan Latihan</i>) • The stimulus packages are aimed at easing the burden of HRDF registered employers and their local workforce as well as Malaysian workers while simultaneously uplifting the industries and promoting people-centric growth. • In addition, it aims to encourage employers and employees to “adapt and grow” in this current state by increasing upskilling and reskilling efforts that will place them at a competitive advantage once the economy recovers.

**COVID-19 STIMULUS PACKAGE 1:
LEVY EXEMPTION 63 SUB-SECTORS UNDER THE PEMBANGUNAN SUMBER MANUSIA BERHAD ACT 2001 (Act 612)**

QUESTIONS	HRDF RESPONSES
WHICH SUB-SECTORS ARE EXEMPTED FROM PAYING THE MANDATORY LEVY PAYMENT?	<ul style="list-style-type: none"> • HRDF registered employers from 63 sub-sectors are exempted from paying the mandatory Human Resources Development (HRD) levy under the Pembangunan Sumber Manusia Berhad Act 2001 (Act 612) for a duration of six (6) months from 15 April 2020 to 15 September 2020.

COVID-19 STIMULUS PACKAGE 1: LEVY EXEMPTION MECHANISM

QUESTIONS	HRDF RESPONSES
CAN YOU TELL US MORE ABOUT THE LEVY EXEMPTION?	<ul style="list-style-type: none"> • HRDF registered employers from 63 sub-sectors will be exempted from paying the mandatory HRDF levy under the Pembangunan Sumber Manusia Berhad Act 2001 (Act 612) for a duration of six (6) months. Exemption is automatic. • HRDF registered employers are subjected to the terms and conditions of the levy exemption as stipulated in the relevant Employers' Circular and its corresponding guidelines. The levy exemption for employers from 63 sub-sectors will come into effect for the employers' levy contributions from 15 April 2020 to 15 September 2020. • The levy exemption <u>will be stamped as Zero Levy</u> in the employer's levy statement during the period of 15 April 2020 to 15 September 2020. The commencement date for the application for levy exemption is 15 April 2020 (for March Levy contribution). The end date for the application for levy exemption is 15 September 2020 (for August Levy contribution). This means, the levy contribution for the month of March 2020 to August 2020 is exempted. • Employers are still required to pay the February 2020 levy contribution on or before 15 March 2020. • Employers are required to continue with their Instalment of Levy or Interest arrears payments without fail. • Newly HRDF registered employers are exempted from contributing to their levy during the above-mentioned period and will not receive a Letter of Demand (LOD) from HRDF. The levy exemption <u>will be stamped as Zero Levy</u> in their respective employer's levy statement. • HRDF will not impose any the grace period of 30 day for the exemption of levy payment for newly registered employers before the effective date of the levy exemption. • Levy payment will resume for the September 2020 contribution and payment must be made to HRDF by 15 October 2020. • HRDF registered employers will be informed on the levy exemption via the following methods of communication: <ul style="list-style-type: none"> ○ Employers' Circular; ○ Online briefing sessions; ○ Alerts on the HRDF Portal; ○ Email and WhatsApp message alerts; <i>and</i> ○ Notifications of HRDF's official social media channels.

COVID-19 STIMULUS PACKAGE 1: LEVY EXEMPTION MECHANISM FOR CLAIM SUBMISSION(S)

QUESTIONS

HRDF RESPONSES

CAN HRDF REGISTERED EMPLOYERS CONTINUE WITH THEIR TRAINING CLAIM SUBMISSION(S) DURING THE PERIOD OF LEVY EXEMPTION?

- During the period of levy exemption, HRDF registered employers can continue with their training claim submission(s) as long as their available levy balance exceeds 50 per cent of their total claim amount.
- The payments for their claims will be made separately. The first payment will be made based on the amount of total levy and the second payment or unpaid balance will be made to the employer when there is sufficient levy balance.
- HRDF registered employers must apply for their training claim(s) within the duration of six (6) months from the training end-date, as long as the available levy balance exceeds 50 per cent of the total claim amount.
- In the event that the employer is late in submitting their claim(s) (more than 6 months), the employer may appeal for claim disbursement. However, they are required to provide justifications for their claim.

**COVID-19 STIMULUS PACKAGE 2:
TRAINING STIMULUS TRAINING PACKAGE (PAKEJ RANGSANGAN LATIHAN)**

QUESTIONS	HRDF RESPONSES
<p>CAN YOU TELL US MORE ABOUT THE HRDF 2020 TRAINING STIMULUS PACKAGE?</p>	<ul style="list-style-type: none"> • The HRDF 2020 Training Stimulus Package also known as PRL2020 (Pakej Rangsangan Latihan 2020) is offered to Malaysian employees of HRDF registered employers. • The Government’s allocation of RM100mil will be matched by HRDF (with an additional RM100mil); totalling RM200mil to spur people-centric growth. HRDF estimates that over 40,000 Malaysian employees will benefit from the Training Stimulus Package. • Towards this, the training course fees for HRDF registered employers from all 63 sub-sectors within the country’s three (3) key economic sectors - namely Manufacturing, Services, and Mining and Quarrying, will be subsidised up to a maximum of 80 per cent. The package will be effective until the allocation is fully utilised. • A detailed implementation guideline and system user guide is available at https://www.hrdf.com.my/economic-stimulus-package/ starting from 1 April 2020. Employers are required to adhere to the terms and conditions stipulated in this guideline.

COVID-19 STIMULUS PACKAGE 2: TRAINING STIMULUS PACKAGE (PAKEJ RANGSANGAN LATIHAN) – TYPES OF COURSES

QUESTIONS	HRDF RESPONSES
<p>WHAT ARE THE TYPE OF COURSES OFFERED UNDER THE TRAINING STIMULUS PACKAGE?</p>	<ul style="list-style-type: none"> • The Training Stimulus Package offers the type of courses as follows: <ul style="list-style-type: none"> I. Professional Certification Courses aimed towards increasing the upskilling and reskilling efforts that will encourage employers and employees to “adapt and grow” in this current state. II. Industry Driven Courses that are in line with the HRDF Industrial Skills Framework (IndSF) that have been identified through a Training Advisory Committee Processes. • The approved training courses under SBL-Khas must be conducted by HRDF-certified Training Providers only. • Information on approved training courses is available online at https://www.hrdf.com.my/economic-stimulus-package/ starting from 1 April 2020. The information is also made available at the grant submission page via the HRDF’s eTRiS.

COVID-19 STIMULUS PACKAGE 2: TRAINING STIMULUS PACKAGE (PAKEJ RANGSANGAN LATIHAN) – MECHANISM

QUESTIONS	HRDF RESPONSES
<p>WHAT ARE THE TERMS OF ELIGIBILITY FOR THE TRAINING STIMULUS PACKAGE?</p>	<p>Eligibility of employers & employees</p> <ul style="list-style-type: none"> i. The Training Stimulus Package is extended to all HRDF registered employers. However, please note that employers with arrears of levy and unpaid interests are not eligible for this package. ii. Each HRDF registered employer can only train a maximum of 100 employees for approved courses to enable more registered employers to participate in this initiative. Additionally, each employee is only eligible to attend two (2) approved courses to enable more employees to benefit from this initiative. iii. Any requests to train more than the maximum number is subjected to employers’ justifications and HRDF’s consideration.
<p>CAN EMPLOYERS SUBMIT GRANT APPLICATIONS FOR THE TRAINING STIMULUS PACKAGE?</p>	<p>Grant application by Employers</p> <ul style="list-style-type: none"> i. The submission of Grant can be made through the PRL2020 online system starting from 1 April 2020. Submission must be made at least one week (7 working days) prior to the commencement of the training. ii. As for grant applications, employers will need to submit their training schedule and detailed breakdown of course fee ahead of time. Employers to provide a detailed breakdown of the aforementioned and upload it during grant submission for evaluation purposes. iii. Financial assistance will be based on the current allowable cost matrix and must not exceed RM1,000 per trainee per month. Upon approval, HRDF will incentivise 80 per cent of Approved Course Fee, and the balance 20 per cent will be deducted from the levy of registered employers. iv. Employers are not allowed to pay the 20 per cent of the course fee to training providers without the deduction from the levy. In the event that the levy balance from the employers’ account is insufficient to cover the 20 per cent of the balance course fee, their applications will be rejected.
<p>HOW WILL HRDF DETERMINE THE COURSE FEE(S)?</p>	<p>Evaluation of application and approval</p> <ul style="list-style-type: none"> i. Evaluation will be conducted by the Strategic Initiatives (SI) Unit especially on the course fee(s). This is also based on training arrangements. The fee(s) is as per charged and based on the market price. The determination of course fee(s) will be based on the detailed cost structure.

COVID-19 STIMULUS PACKAGE 2: TRAINING STIMULUS PACKAGE (PAKEJ RANGSANGAN LATIHAN) – MECHANISM

QUESTIONS	HRDF RESPONSES
CAN TRAINING PROVIDERS CLAIM FOR THE COURSE FEE(S)? AND CAN HRDF REGISTERED EMPLOYERS SUBMIT CLAIM(S) FOR ALLOWABLE COSTS?	Claim submission by training providers for course fee(s) and allowable costs by HRDF registered employers <ul style="list-style-type: none"><li data-bbox="813 390 2763 506">i. Claims for Course Fee are to be submitted by the appointed training provider within three – (3) months upon completion of the courses. Payment will be made directly to the appointed training provider based on the amount that was approved during the grant approval and claim checking processes.<li data-bbox="813 554 2763 669">ii. Employers are allowed to submit a claim for other allowable costs such as meal allowances / daily allowances and trainees' airfare within one (1) month upon completion of training and reimbursement of the course fee to the training provider. Supporting documents are as per the current terms and conditions of the HRDF claim submission.<li data-bbox="813 718 2763 800">iii. Payment of the course fee and allowances will based on the attendance of the trainees (full payment if attendance is 80 per cent and above).

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