

## INTRODUCTION

The Human Resource Development Council, which has been set up under the HRD Act of 2003, has, inter alia, been vested with the responsibility to administer, control and operate the National Training Fund. This Fund provides the necessary incentive to employers to develop their human resources.

One of the main priorities of the HRDC has been to review the existing system and come up with a new scheme so as to encourage more effective human resource development at the national level and to emphasise targeted training while at the same time minimise the existing loopholes in the previous system so as to provide training opportunities to the maximum number of employees

The new scheme aims at encouraging a targeted approach to training whereby the ultimate long term objective would be to develop a training grant system where all training conducted by firms would be based on a proper training needs analysis and a corporate training plan.

Through these amendments the HRDC will also aim at consolidating existing schemes which would help the labour force to acquire higher qualifications especially at tertiary levels with a view to upgrading the quality of the human resource in the country and to provide the necessary human resource thrusts for successful transformation of the Economy into a Knowledge Economy.

The HRDC has worked in collaboration with the Mauritius Employers' Federation and other stakeholders in developing the new scheme . The new scheme is effective as from 1st August 2006 and is subject to continuous review at regular intervals.

In order to encourage employers to provide training to a maximum number of employees, the HRDC offers grants as incentive. Employers can recover up to 75% of training costs depending on their tax rate.

The training may either be run in-house or externally by training institutions registered with the Mauritius Qualifications Authority, (MQA). Grants awarded by the HRDC are based on a cost-sharing principle, i.e., grants will meet only part of the costs incurred for training by employers since they are not intended to be a subsidy.

## ELIGIBILITY FOR GRANTS

1. Only employers contributing monthly to the levy will be eligible.
2. ONLY TRAINING COURSES AND PROGRAMMES WHICH HAVE RECEIVED THE PRIOR APPROVAL OF THE MQA/TEC WILL QUALIFY. The training has to be job-related and must lead to acquisition of new skills.
3. As the objective of the Council is to upgrade the local workforce, grants are restricted to trainees who are Mauritians or Permanent Residents of Mauritius

## OPERATION OF THE GRANT SYSTEM

1. SUBMISSION OF G1/G2 FORMS
  - a. To obtain approval of a training course or programme, employers must fill in application form (Form G1) and these should reach the HRDC at least **two weeks** before the commencement date of the approved course or programme.
  - b. For In-House courses, employers are requested to seek approval of the training programme before the start of the course and submit G1 form as in (a) above.
2. After successful completion of any approved training course or programme, employers must fill in and submit Form G3, supported by attached photocopies of all relevant documents as shown below:

INSTITUTIONAL TRAINING	IN HOUSE TRAINING	OVERSEAS TRAINING
Invoice and receipts of fees paid. Individual certificate of attendance	Evidence of Salaries paid to trainers. Evidence of expenses on course materials And/or Bank Advice if payment is made in foreign currencies.	Invoice and receipts of - fees paid - purchase of air tickets and/or Bank Advice if payment is made in foreign currencies.
» For In House and Overseas Training, in addition to the above, individual certificate of attendance to the course including MQA /TEC approval must be provided.		

The National Identity Card Number of all participants must be provided on Form G3, otherwise application will not be considered

Note that once the course is completed, G3 form must reach the HRDC **within the current financial year ending 30 June and at latest by 30 September of the next financial year supported with all relevant documents so that the necessary refund can be effected.**

For in-house and institutional-based training courses, the HRDC training grant will depend on the employer's tax rate as follows:-

% EMPLOYER'S TAX RATE	% HRDC GRANT REFUND
15%	60%
0%	75%

#### A. Grant Refund Formula per financial year

Examples(Annual levy paid and grant ceiling computation)	Maximum Grant Refund per year
(1) Levy contribution of Rs15,000 ( Rs15,000 * 10 = Rs150,000)/-	Rs150,000
(2) Levy contribution of Rs50,000 First Rs20,000 * 10 = Rs200,000 Balance Rs30,000 * 5 = Rs150,000 Total = Rs350,000 <b>Grant refund limited to Rs300,000</b>	Rs300,000
(3) Levy contribution of Rs500,000 First Rs100,000 = Rs300,000 Balance Rs400,000 * 2 = Rs800,000 Total = Rs1,100,000	Rs1,100,000
(4) Levy contribution of Rs1,500,000 First Rs100,000 = Rs300,000 Balance Rs1,400,000 * 2 = Rs2,800,000 Total = Rs3,100,000	Rs3,100,000

**\* THE HUMAN RESOURCE DEVELOPMENT COUNCIL (HRDC) RESERVES THE RIGHT TO EFFECT ANY CHANGE ON ABOVE SCHEME AS AND WHEN IT THINKS FIT.**

## **B. Support for Training Needs Analysis**

Firms conducting TNAs will receive a refund of an amount equivalent to 20% of their eligible Grant Refund subject to a ceiling of :

- i. Rs 75,000/- if the TNA is conducted by a certified In-house resource persons approved by the HRDC and
- ii. Rs150,000/- if the TNA is conducted by an outside firm/consultant approved by the HRDC

Such refund will be subject to the following:

- a. Firms should submit relevant applications to the HRDC and obtain the approval of the HRDC prior to the conduct of the exercise.
- b. (a)The firm must submit the report of the TNA and its Training Plan to the HRDC before the refund can be effected.
- c. The firm will be eligible for such benefits every 3 years

## **C. Multimedia facilities**

Registered training centres having their **own/rented building, infrastructure and training facilities** will be eligible for refund of 50% of the cost on purchase of new multimedia equipment. The refund will be subject to a maximum total limit of Rs 200,000/- per training centre. The support will cover, amongst others, purchase of the following equipment:

- Photocopier,
  - LCD projector,
  - Computer,
  - Overhead projector,
  - Scanner,
- and such other equipment as may be approved by the HRDC

Such support will be subject to the following:

1. The Registered Training Centre should have been registered with the MQA for at least 3 years
2. The Registered Training Centre should be dispensing MQA approved courses, one of which should be of at least 6 month duration.
3. Applications for purchase of such multimedia facilities, accompanied by relevant documents including quotations, should be submitted to the HRDC at least 2 weeks before the purchase of such equipment.
4. Refund will be effected on submission of proof of purchase including receipts
5. The Registered training centre should ensure that such equipment is being used for training purposes only and should be available in the training centre at all times.
6. The Registered training centre would be eligible for such benefit every 3 years.

## **D. Use of Foreign Expertise**

Registered training centres can claim up to a ceiling of Rs100,000 per week for a maximum period of 2 weeks in case they bring in foreign resource persons in scarcity and/or priority areas to conduct training in Mauritius subject to the following:

1. The training centre will be eligible to bring in up to a maximum of 5 resource persons during any financial year ending 30th June.
2. The same resource person cannot come more than twice during the same financial year for the same training centre

3. To qualify for the 2 weeks, the resource person should dispense training for at least 7 days and the total number of training hours should not be less than 5 hours per day.
4. All applications for use of foreign expertise should receive the prior approval of the HRDC and training programmes should be MQA/TEC approved.
5. All exceptional cases will be treated on a case to case basis by the HRDC.

### **E.Overseas Training**

HRDC refunds 50% of the cost of air fare excluding tax, up to a maximum of Rs20,000 per trainee for an approved course for a maximum period of two weeks. The course fees are refunded as per grant formula.

The number of trainees who will benefit from the scheme will be as follows:

- i. Firms with less than 25 employees will be eligible for a maximum of 3 trainees per year,
- ii. Firms employing between 25 and 100 employees will be eligible for a maximum of 5 trainees per year,
- iii. Firms with more than 100 employees will be eligible for a maximum of 10 trainees per year.

### **F. Financial Support to individuals following final year of first Degree and those following Masters Degree programmes**

The HRDC will refund up to 20% of the course fees to individuals following the final year of the first degree or those following a Masters Degree from a recognized University and run locally on a part time basis.

The support will be subject to the following:

1. For employees who are on the firm's payroll and for whom the employer is contributing the levy and who are sponsored by their employers, the employer can claim 20% of the fees paid under the levy grant system.
2. In case of non sponsored employees following similar courses, and for whom levy is being paid by the employer, the HRDC will refund directly to the employee 20% of the fees paid.
3. All such payments will be effected upon proof of admission and payment. Employees should have followed the course for at least 6 months before making any such claim.

**Applications must reach the HRDC at latest 4 months as from the date of completion of the course, otherwise applications would be deemed to have lapsed.**

### **G. In-House Training**

A new scheme is being proposed for refund to be made on training conducted In-house.

The eligibility for grant refund will be as follows:

- i. **Up to Rs 25,000/-** per day if the course is being conducted by an In-house registered trainer. The number of trainees in each batch can be unlimited but should not be less than 10 trainees.
- ii. **Up to Rs 50,000/-** per day if the course is conducted by an external registered trainer. The number of trainees in each batch can be unlimited but should not be less than 10 trainees.
- iii. **Rs 75,000/- – Rs100,000/-** per day if the course is conducted by a foreign trainer. The number of trainees in each batch can be unlimited but should not be less than 10 trainees.

**NOTE:** In relation to (i), (ii) and (iii) above cases of firms having less than 10 trainees in a batch will exceptionally be treated on a case to case basis by the HRDC and will be subject to the prior approval of the HRDC.

The training course should cover a minimum of **5 contact hours** per day or else the refund will be prorated except in the case of courses conducted by foreign trainers. Furthermore, all such training courses should have received the prior approval of the MQA/TEC.

#### H. Pre-Operational Training Incentive (POTI) Scheme

The Pre Operational Training Incentive scheme is a programme under which an advance is offered as incentive to attract investment in emerging sectors which require a relatively high level of initial skills.

Under this scheme the HRDC provides an advance equivalent to **50%** of the estimated qualifying training costs during the first year of operation of firms which are in the process of being set up.

To qualify for such a scheme:

1. the investment project should have been approved by the Board of Investment,
2. the training should be conducted during a period not exceeding 1 year before operation,
3. only local training programmes and courses which have received the prior approval of MQA/TEC will qualify. The training has to be job related and must lead to the acquisition of relevant skills,
4. the advance made by the HRDC will be recouped annually over a period of **7 years** out of the eligible grant limit of the firm.

For the time being the POTI scheme is applicable for the ICT/BPO sector only.

#### Examples of Grant Ceiling per financial year

Examples ( Annual Levy paid and Grant ceiling computation)	Maximum grant refund per year
(1) Levy contribution of Rs 15,000/- ( Rs 15,000/- X 10 =Rs 150,000/- )	Rs 150,000/-
(2) Levy contribution of Rs 50,000/- First Rs20,000 X 10 = Rs 200,000/- Balance Rs 30,000 X 5 = Rs 150,000/- Total = Rs 350,000/- <b>Grant refund limited to Rs 300,000/-</b>	Rs 300,000/-
(3) Levy contribution of Rs 500,000/- First Rs100,000 = Rs 300,000/- Balance Rs 400,000 X 2 = Rs 800,000/- Total = Rs 1,100,000/-	Rs 1,100,000/
(4) Levy contribution of Rs 1,500,000/- First Rs100,000 = Rs 300,000/- Balance Rs 1,400,000 X 2 = Rs 2,800,000/- Total = Rs 3,100,000/-	Rs 3,100,000/

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The duly filled in grant application forms should be sent to:

The Director  
Human Resource Development Council  
IVTB House  
Pont Fer  
Phoenix