

Rationale

As the primary custodian of Malaysia's talent development efforts, it is important that we cover as many employers and employees as possible. This will enable us to support them thoroughly in their upskilling, reskilling, cross-skilling, and multi-skilling journey. The expansion of the act allows us to collect levy from more employers and in turn fund their employee training through our schemes, initiatives, and programmes.

To do this effectively, we are committed to making employers understand the crucial role they play in shaping their employees' skills and knowledge through the right training and development programmes. This will enable companies to boost organisational productivity and drive business goals, while also developing a globally competitive and industry-ready workforce.

Through the PSMB Act 2001, we focus on:

- 01 Improving the efficiency of the local labour market which will help accelerate the nation's economic growth, particularly through the country's SMEs.
- 02 Transforming technical and vocational education in Malaysia to meet industry demands through the provision of training programmes which will not only enhance the productivity of a company but also enable it to become more competitive across local, regional and global markets.
- 03 Strengthening lifelong learning among Malaysian employees in line with the Government's effort to develop Malaysia into a high income economy.
- 04 Fostering a culture of training and retraining among Malaysian employers, particularly employers registered with HRD Corp.

Expansion Milestones

Since our inception, we have implemented eight expansions to the Act. They are as follows:

1995

Improving the efficiency of the local labour market which will help accelerate the nation's economic growth particularly through the country's SMEs.

Added the Services sector covering 9 subsectors - **hotel, shipping, aviation, freight forwarder, advertising, postal & courier, telecommunications, tours and computer.**

1996

Included businesses in the **Manufacturing** sector with 10 to 49 Malaysian employees, with a paid-up capital of RM2.5 million and below under the optional category.

2000

Added 3 subsectors to the **Services** sector - **energy, private institute of higher learning and training.**

2005

Added 8 subsectors to the Services sector - **direct selling, port services, engineering support and maintenance services, research & development, warehousing services, security services and private hospital.**

2007

Added 2 subsectors to the Services sector - **Commercial land transport and railway transport services industry.**

2014

Introduced the **Mining & Quarrying sector** – with **Oil, Gas & Energy** as the first subsector covered.

Added 19 subsectors within the **Services** sector.

2017

Standardisation for the number of employees for mandatory registration (10 or more employees).

Removal of the paid-up capital requirement for registration.

2021

The biggest expansion to date, covering all sectors and subsectors except the following:

- **Federal and State Governments**
- **Non profit organisations involved in social welfare activities**

Employer's Obligations and Consequences of Non-Compliance

The PSMB Act 2001 also governs the conduct of registered employers through the following provisions:

Section 13 (1) All employers must register with PSMB if they have fulfilled the requirements:

- The nature of business is covered under the First Schedule of the PSMB Act;
- The minimum number of employees is 10.

Regulation 4 (1)

An employer to whom the Act applies on the date of coming into operation of these regulations shall submit Form 1 of the schedule to the Corporation no later than thirty days after the date of coming into operation of these regulations.

Section 13 (2) Any offence will be convicted with:

- A fine not exceeding RM10,000, or
- Imprisonment not more than 1 year, or
- Both



SCAN HERE FOR MORE INFO

Training Schemes

05





TRAINING SCHEMES

Overview

As the custodian of Malaysia's training and development initiatives, HRD Corp is responsible for overseeing skills training programmes for all Malaysians to support the government's national agenda and key economic priorities.

Our target audiences can be divided into two (2) primary categories:

- Malaysian workforce and employees, particularly those working with our registered training providers
- Malaysian graduates and talents in general, particularly those from marginalised or underserved communities

The former is served through our HRD Levy which is paid by our registered employers and which they can then claim upon sending their employees to HRD Corp-approved training programmes. This covers HRD Corp Claimable Courses as well as other schemes.

The latter is covered by grants received from the government and disbursed through our strategic initiatives.



HRDCORP

FUNCTIONAL

- | | | |
|----|--------------|----------------------------------|
| 01 | HRDCC | HRD Corp Claimable Courses |
| 02 | ITS | Industry Training Scheme |
| 03 | FWT | Future Workers Training |
| 04 | OJT | On-the-Job Training |
| 05 | CBT | Computer-Based Training |
| 06 | IT | Information Technology |
| 07 | RPL | Recognition of Prior Learning |
| 08 | ALAT | Training Facilities & Renovation |

STRATEGIC

- | | | |
|----|---|---|
| 01 | PLACE & TRAIN | Graduates, Retrenched Workers, All Malaysians |
| 02 | PLACEMENT JOB TRAINING (P&T) | Graduates, Retrenched Workers, All Malaysians |
| 03 | B40 DEVELOPMENT | Bottom 40, Individuals and Families |
| 04 | GERAK INSAN GEMILANG (GIG) | Freelancers and Individuals Who Run Online Businesses |
| 05 | RISE4WRD | SMEs in Related Industrial /Manufacturing Sectors |
| 06 | RPEL | Certification Programme for Existing Employees |

NATIONAL AGENDA

- | | | |
|----|--|---|
| 01 | IR 4.0 | Industry Revolution 4.0 |
| 02 | TVET | Technical and Vocational Education and Training |
| 03 | SME | Small Medium Enterprise |
| 04 | Unemployed Graduates | |
| 05 | Increase Household Income for B40 | |



HRD Corp Claimable Courses

OVERVIEW

Assists employers in retraining and upskilling their employees in line with their respective operational and business requirements.

Payment to training providers will be made directly from their HRD levy deduction.

ASSISTANCE

Funding for in-house or public training for a minimum of four (4) hours.

Covers claimable costs such as*:

- meals and daily allowances
- consumable training materials
- hotel rental packages/training rental places
- airfare tickets/transportations

*Please refer to the Allowable Cost Matrix for other expenses**

REQUIREMENTS

- Employers do not have to pay the course fee directly to the training provider.
- There is no limit to the training fees or number of trainees that the employer can claim* for certification programmes or mandatory industry base programmes.
- Applications must be submitted via e-TRIS before training commences.



Industry Training Scheme (ITS)

OVERVIEW

Supports employers in sponsoring students from a university, college or training institution to undergo practical training at their organisation.

ASSISTANCE

- Monthly allowance capped at a maximum of RM500/month/trainee
- Personal Protective Equipment (1 set)
- Insurance Coverage (if any)
- Financial assistance based on 20% of the levy balance when the first application for the year is submitted

REQUIREMENTS

- Trainees must undergo a minimum of two (2) months or a maximum of eight (8) months training at the employers' premises.
- Employers must ensure that the following are in place:
 - Confirmation letter issued by the university, college, or training institution with the specific duration of the programme.
 - Confirmation letter issued by the employer to the trainee to attend the industrial training programme.
 - Programme structure with the objectives, learning outcomes and weekly course schedule for the entire duration of the training.
- Applications must be submitted via e-TRiS before training commences.