

EMPLOYERS CIRCULAR NO. 2/2015
**THE IMPLEMENTATION OF 1MALAYSIA GLOBALLY RECOGNISED INDUSTRY
AND PROFESSIONAL (1MALAYSIAGRIP) PROGRAMMME**

1.0 PURPOSE

- 1.1 The purpose of this circular is to inform PSMB registered employers on the implementation of 1Malaysia Globally Recognised Industry and Professional (1MalaysiaGRIP) Programme.

2.0 BACKGROUND

- 2.1 The Honorable Prime Minister during the announcement of 2015 Budget on 10th October 2014 had announced the implementation of 1Malaysia Globally Recognised Industry and Professional (1MalaysiaGRIP) Programme to up-skill and re-skill 30,000 employees in the year 2015. The provision stated falls under the Third Strategy: Empowering Human Capital and Entrepreneurship of the 2015 Budget document.
- 2.2 The implementation of 1MalaysiaGRIP will focus on up-skilling and re-skilling courses that will maximize the value of employees and lead to higher wages. The objectives of the 1MalaysiaGRIP are:
- i. To provide opportunity for employees to increase their skills in specific fields and become experts. This would enhance their career development opportunity and the possibility to earn higher income;
 - ii. To provide employers with skilled workforce that will enable them to explore new business opportunities in becoming more competitive in the global market; and

- iii. To increase labour supply in the strategic and high impact areas that have been identified to reduce the country's dependency on external expertise and support the Government's aspiration to achieve developed nation status by the year 2020.
- 2.3 In implementing the 1MalaysiaGRIP programme, starting from March 2015, 30% of the employers' monthly levy payments will be separated from their individual levy accounts and consolidated with the matching grant received from the Government as the 1MalaysiaGRIP fund. 1MalaysiaGRIP fund will be used to cover course fees for employees who undergo training under this programme.
- 2.4 The remaining 70% of levy payment will be utilised by the registered employers to determine the type of training for their employees in line with their business requirements as per the existing practices.

3.0 BENEFITS OF THE 1MALAYSIAGRIP PROGRAMME

- 3.1 In line with the Government aspiration to produce 50% of skilled workers by 2020, the implementation of 1MalaysiaGRIP is timely as it will encourage employers to train their workers through up-skilling and reskilling certification programmes. It will increase skilled labour supply in the strategic and high impact areas that were identified, thus, reduce the country's dependency on external expertise and support the Government's aspiration to achieve developed nation status by the year 2020.
- 3.2 The implementation of 1MalaysiaGRIP programme will provide employers with skilled workforce that will enable them to explore business opportunities in higher value chain that is related to Knowledge Intensive activities that are knowledge based, high-tech or high value-added products / activities in order to be continuously competitive in the global market.

- 3.3 This programme will also provide opportunities for employees to choose training courses that suit their current or future job needs that will enhance their skills, knowledge and level of competencies. It will eventually increase the productivity of the company as well as for their future career development.
- 3.4 Apart from that, this programme also provides advantages to the employers to send their employees to attend training that is higher in course fees compared to the normal training programmes.
- 3.5 In this regards, the eligibility of financial assistance for employees is based on actual training fees and not limited to 30% of the employers' levy payments.

4.0 EFFECTIVE DATE

- 4.1 The deduction of 30% from levy payments to 1MalaysiaGRIP fund will be effective on the levy paid for the month of March 2015 onwards.
- 4.2 This circular will take effect from **1st March 2015**.

5.0 BRIEFING SESSION

- 5.1 PSMB will organise briefing sessions to inform all registered employers on the implementation of 1MalaysiaGRIP. Date and venue of briefing sessions will be notified through PSMB Portal (www.hrdf.com.my).

6.0 CONCLUSION

- 6.1 It is hoped that with the implementation of 1MalaysiaGRIP Programme, the number of skilled workers will be increased and inculcate training culture among employers and employees through up-skilling and re-skilling programmes.

6.2 Kindly contact our Customer Service Officer at 1-800-88-4800 should you require further clarification or assistance.

Thank you.

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“PEKERJA BERINOVASI PEMACU TRANSFORMASI”

Yours sincerely,

(CM VIGNAESVARAN A/L JEYANDRAN)

Chief Executive

Pembangunan Sumber Manusia Berhad