



( 32 )PSMB/20/8 Kulit 7  
15 December 2017

## EMPLOYER CIRCULAR NO. 5/2017

### EXEMPTION OF THE HUMAN RESOURCES DEVELOPMENT LEVY FOR SMALL AND MEDIUM ENTERPRISES IN FLOOD AFFECTED AREAS

#### 1.0 PURPOSE

- 1.1 The purpose of this circular is to inform employers on the exemption of the Human Resource Development (HRD) levy for a period of six months for Small and Medium Enterprises (SMEs) affected by the floods in Penang, Kedah, Perak and Perlis with effect from January 2018 to June 2018.

#### 2.0 BACKGROUND

- 2.1 Recent flood disasters have caused the affected states to suffer losses of property damage. The implications of these disasters have affected the economies of the affected states including SME registered employers under the Human Resources Development Fund (HRDF)
- 2.2 YB Minister during his speech in conjunction with the HRDF and Trainers' Conference and Exhibition 2017 in Kuala Lumpur on November 28, 2017 has announced the exemption of the HRD levy payments to SMEs employers that were affected by the floods in Penang, Kedah, Perak and Perlis with effect from 1 January to 30 June 2018. The purpose of the exemption is to help ease the financial burden of these SMEs and assist their business to regain traction.



- 2.3 SMEs are defined as employers from the manufacturing sector and mining and quarrying sector with a maximum of 200 employees and employers from the services sector with a maximum of 75 employees.

### **3.0 EXEMPTION OF LEVY PAYMENT**

- 3.1 SMEs from flood affected areas are eligible for the HRD levy exemption effective from 1 January 2018 to 30 June 2018. To qualify for the exemption, employers have to submit an application to Pembangunan Sumber Manusia Berhad (PSMB) and enclose evidence to support their application such as police report, photos, insurance claim or any relevant documents.
- 3.2 Employers are given until 30 June 2018 to submit their application for the exemption of HRD levy payment. Employers will lose their eligibility for the exemption of paying the HRD levy if the application is received by PSMB after 30 June 2018.

### **4.0 APPLICATION FOR TRAINING GRANTS**

- 4.1 Even though employers are exempted from paying the HRD levy for six months with effect from 1 January 2018, they are encouraged to utilise their levies to upgrade the skills and knowledge of their workforce.

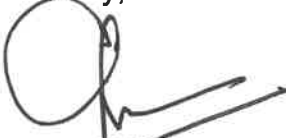
### **5.0 CLOSING**

- 5.1 Please feel free to contact our Call Centre at 1 800 88 4800 should you require further clarification or assistance.

Thank you.

***"PEOPLE, PROWESS, PROGRESS"***  
***"Pekerja Kreatif, Pencetus Inovasi"***

Yours sincerely,

A handwritten signature in black ink, consisting of a large, stylized 'V' shape with a horizontal line extending to the right, and a vertical line extending downwards from the center of the 'V'.

**(DATO' CM VIGNAESVARAN A/L JEYANDRAN)**  
Chief Executive  
Pembangunan Sumber Manusia Berhad