

Ref. No. : (30) PSMB/20/8 Kulit 8

Date : 22 August 2025

EMPLOYER'S CIRCULAR NO. 1/2025

ESTABLISHMENT AND IMPLEMENTATION OF MADANI GRADUATE SCHEME (SGM)

1.0 PURPOSE

- 1.1 The purpose of this circular is to inform all employers registered with the Human Resource Development Corporation (HRD Corp), therein referred to as 'registered employers,' on the implementation of a new levy-based scheme known as **MADANI Graduate Scheme (SGM - Skim Graduan Madani)**.

2.0 BACKGROUND

- 2.1 The Government of Malaysia, through HRD Corp, is committed to enhancing the skills development of graduates with the industry exposure and experience to complement their academic foundations, while supporting registered employers in meeting workforce demands with skilled and adaptable talent.
- 2.2 In response, HRD Corp is introducing SGM as a strategic mechanism to enable registered employers to channel part of their levy towards training and developing graduates. This initiative is part of a national effort to build a future-ready workforce.

3.0 OBJECTIVES OF SGM

- 3.1 To enhance the skills development and marketability of Malaysian graduates through structured workplace training.
- 3.2 To provide opportunities for graduates, especially first-time job seekers, to gain meaningful industry exposure and skills.

4.0 IMPLEMENTATION MECHANISM

4.1 Terms and Conditions

No.	Items	Terms and Conditions
1	Criteria	<p>Malaysian graduates who:</p> <ul style="list-style-type: none"> i. Have completed all higher academic requirements (including Malaysian Skills Certification – (SKM) Level 4 and above). ii. Are seeking full-time job in the industry, either permanent or fixed-term contract for a minimum of twelve (12) months. iii. Have no prior full-time work experience in the formal sector.
2	Duration	Graduates must complete a twelve (12) month programme for it to be claimable.
3	Claimable Amount	<ul style="list-style-type: none"> i. Graduate Skills Development Allowance amounting to twelve (12) months' basic salary paid by the employer to the new hire. ii. Registered employers are eligible to claim 50% of the levy balance as at 1 January of the application year. iii. Registered employers are not entitled to other allowances under this scheme.
4	Required Supporting Documents During Grant Submission	<ul style="list-style-type: none"> i. Higher education completion/ graduation letter or certificate which is an official document from a recognized higher learning institution that verifies a student has completed his/her higher learning requirements. ii. Employment/Offer letter from current company with monthly allowance equivalent to basic salary details. iii. Employment/Offer letter from previous company for graduates with previous working experience, (if any).

		<ul style="list-style-type: none"> iv. Joint declaration* by employer and graduate confirming it is the graduate's first full-time job after graduation. v. 12-month programme schedule** that includes: <ul style="list-style-type: none"> a. Objectives b. Clearly indicate the duration of the programme with start and end date. c. Achieved Learning Outcome. vi. Proof of 12 months' allowance payment, e.g. bank statements, pay slips, etc. Payment voucher will not be considered.
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*Refer to **Appendix A** for the joint declaration letter template.

Refer to **SGM Form (Ver 1.0).

4.1.1 HRD Corp officers will review all submitted documents to ensure governance and accountability.

4.2 Application Procedure

No.	Items	Terms and Conditions
1	Grant Submission & Reimbursement Mechanism	<ul style="list-style-type: none"> i. Registered employers are eligible to apply for financial assistance for graduates employed starting from January 2025. However, grant applications can only be submitted upon full completion of the 12 months' graduate skill development programme. ii. Employers may submit grant applications for SGM from 1 January 2026. iii. The grant end date corresponds to the final month of the programme. iv. The grant application must be submitted within six (6) months of the completion date of the graduate skills development programme. v. No submission claim is required during the programme period.

		<ul style="list-style-type: none">vi. Financial assistance is claimable only after the completion of the programme.vii. Registered employers may continue to apply for other HRD Corp training assistance for the same graduate(s) during the graduate skills development programme.
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5.0 IMPLEMENTATION DATE

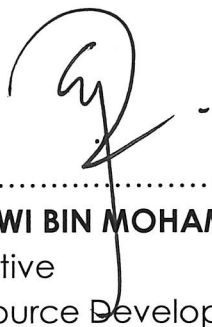
5.1 Registered employers can submit grant applications under SGM from 1 January 2026.

6.0 CLOSING

6.1 For further clarification or assistance, kindly contact our Support Team via support@hrdcorp.gov.my or 1300 88 4800.

Thank you.

'Delivering Quality, Developing Excellence'
'Malaysia MADANI'



.....
DR. SYED ALWI BIN MOHAMED SULTAN
Chief Executive
Human Resource Development Corporation

**MADANI GRADUATE SCHEME (SGM)
PEMBANGUNAN SUMBER MANUSIA BERHAD ACT 2001
JOINT DECLARATION FORM**

1. Registered Name, MyCoID and Company Address	
2. Contact Person	
3. Telephone No.	
Employer Declaration	
<p>4. Declaration:</p> <p>I/We certify that all the information stated in this claim and the accompanying information are true and correct and that apart from the claim, no other claims have been made regarding these expenses. All relevant documents pertaining to this claim are with us and can be inspected by the Pembangunan Sumber Manusia Berhad (PSMB) officer. I/We understand that I/we may be prosecuted under Section 41 of Pembangunan Sumber Manusia Berhad Act 2001 (Act 612) and PSMB may, at its discretion, withdraw the grant and recover immediately any amount of the grant that may have been disbursed, if I/we should give false or misleading statement or use any document that is false or misleading in obtaining payment of grants from the PSMB.</p> <p>5. I/We hereby declare that I/we have complied with the terms and conditions of the grant awarded.</p> <p>Signature by authorised signatory:</p> <p>Name:</p> <p>Designation:</p> <p>Date:</p> <p>Company Rubber Stamp:</p>	

**MADANI GRADUATE SCHEME (SGM)
PEMBANGUNAN SUMBER MANUSIA BERHAD ACT 2001
JOINT DECLARATION FORM**

Graduate Trainee Declaration

1. Full Name	
2. I/C No.	
3. Name of the University	
4. Year Graduated	
5. Course/Level of Education	
6. Previous Work Experience (if any)	
7. Current Work Experience	
8. Declaration:	
<p>I am responsible for the information provided above which is true and correct. All relevant documents pertaining to this claim are with my employer stated above and can be inspected by the Pembangunan Sumber Manusia Berhad (PSMB) officer. I/We understand that I/we may be prosecuted under Section 41 of Pembangunan Sumber Manusia Berhad Act 2001 (Act 612) and PSMB may, at its discretion, withdraw the grant and recover immediately any amount of the grant that may have been disbursed, if I/we should give false or misleading statement or use any document that is false or misleading in obtaining payment of grants from the PSMB.</p>	
9. I/We hereby declare that I/we have complied with the terms and conditions for the grant awarded.	
Signature:	
Name:	
Designation:	
Date:	

Notes:

MyCoID

**MADANI GRADUATE SCHEME (SGM)
 PEMBANGUNAN SUMBER MANUSIA BERHAD ACT 2001 (Act 612)**

1. Registered Name and Address of Company:	Contact Person: _____								
	Telephone : _____								
2. Graduate Trainee Details:									
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 35%;">Graduate Trainee Name</th> <th style="width: 15%;">NRIC</th> <th style="width: 15%;">Gender</th> <th style="width: 35%;">Signature*</th> </tr> </thead> <tbody> <tr> <td style="height: 30px;"> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>		Graduate Trainee Name	NRIC	Gender	Signature*				
Graduate Trainee Name	NRIC	Gender	Signature*						

EMPLOYER DECLARATION

3. I/We hereby certify that all the information stated in this claim and the accompanying information are true and correct and that apart from the claim, no other claims have been made for these expenses. All relevant documents pertaining to this claim are with us and can be inspected by the Pembangunan Sumber Manusia Berhad (PSMB) officer. I/We understand that I/we may be prosecuted under Section 41 of Pembangunan Sumber Manusia Berhad Act 2001 (Act 612) and PSMB may, at its discretion, withdraw the grant and recover immediately any amount of the grant that may have been disbursed, if I/we should give false or misleading statement or use any document that is false or misleading in obtaining payment of grants from the PSMB.	
4. I/We hereby declare that I/we have complied with the terms and conditions for the grant awarded.	
SIGNATURE	: _____
NAME	: _____
DESIGNATION	: _____
	Please state designation (Employer's authorised signatory)
DATE	:
COMPANY STAMP	:

** Please ensure all fields are completed to allow smooth processing and to avoid rejection due to incomplete information.*

**MADANI GRADUATE SCHEME (SGM)
GRADUATE SKILLS DEVELOPMENT PROGRAMME SCHEDULE**

Graduate Trainee Name:	Objective(s):
Graduate Trainee Job Title:	Learning Outcome(s):
Unit/Department:	Supervisor/Mentor Name:
Training Start Date:	Supervisor/Mentor Job Title:
Training End Date:	Supervisor/Mentor Telephone/Handphone:

Monthly Log: _____ (Month/Year)

No.	Main Task/Content/Subject Matter	Achieved Learning Outcomes
1.		
2.		
3.		
4.		
5.		
<i>(Attach additional pages, if necessary)</i>		

APPROVED BY:	
Name:	Signature:
Designation:	Date:

** Please ensure all fields are completed to allow smooth processing and to avoid rejection due to incomplete information.*



Frequently Asked Questions (FAQ)

**MADANI GRADUATE SCHEME
(SGM – SKIM GRADUAN MADANI)**

This FAQ is prepared for HRD Corp Registered Employers

Training Levy Department
Programmes Division
22 August 2025

Version 1.1

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1. Overview

1.1 What is MADANI Graduate Scheme (SGM)?

MADANI Graduate Scheme (SGM – SKIM GRADUAN MADANI) is a strategic initiative by the Government of Malaysia through HRD Corp to enhance the employability of graduates and support registered employers in meeting their workforce needs. The scheme allows employers to utilise part of their levy to provide training and workplace exposure for graduates, complementing their academic foundations with practical industry experience.

1.2 What is the purpose of this scheme?

- i. To enhance the skill development and marketability of Malaysian graduates through structured workplace training.
- ii. To provide opportunities for graduates, especially first-time job seekers, to gain meaningful industry exposure and skills.

2. Terms and Conditions

2.1 How much Graduate Skills Development Allowance can an employer claim under this scheme?

Employer may claim up to twelve (12) months Graduate Skills Development Allowance which is equivalent to the graduate's basic salary paid by the employer.

2.2 What is basic salary?

Based on Employment Act 1955, Section (2), "Wages" means the basic wages and all other cash payments payable to an employee for work done under a contract of service, but it does not include the value of accommodation, utilities, food, the employer's contributions to EPF/SOCSO/EIS, travel allowances or reimbursements, retirement or retrenchment benefits, bonuses, commissions, gifts, or overtime payments.

Scenario:

Ms. A is employed in Kuala Lumpur with the following monthly salary breakdown:

- Basic Salary: RM3,000
- Transport Allowance: RM300
- Meal Allowance: RM200
- Overtime Pay: RM150

In this case, only the basic salary of RM3,000 per month is claimable. The additional allowance of RM650 is not eligible for reimbursement.

2.3 What is the employer’s maximum eligibility to claim under SGM scheme?

Employers may claim the full amount of the allowance, subject to a maximum of 50% of their levy balance as of 1 January in the year the application is submitted (for their eligibility amount). For further information, please refer to the scenarios below: -

Scenario 1

Levy balance as of 1 January 2026	RM10,000
Eligibility amount as of 1 January 2026	RM5,000 (can be utilised until 31 December 2026)
Financial assistance requested 2 February 2026	RM2,500
Financial assistance approved	RM2,500 (50% subject to levy balance and eligibility amount)
Balance Eligibility	RM2,500

** Approval amount will be subject to the balance eligibility amount at the time of approval.*

Scenario 2

Levy balance as of 1 January 2026	RM10,000
Eligibility amount as of 1 January 2026	RM5,000 (can be utilised until 31 December 2026)
Financial assistance requested on 2 February 2026	RM2,500
Financial assistance approved	RM2,000 (50% subject to levy balance and eligibility amount)
Balance Eligibility	RM3,000

** Approval amount will be subject to the balance eligibility amount at the time of approval.*

Scenario 3

Levy balance as of 1 January 2026	RM10,000
Eligibility amount as of 1 January 2026	RM5,000 (can be utilised until 31 December 2026)
Financial Assistance requested on 2 February 2026	RM12,000
Final Assistance approved	RM5,000 (50% subject to levy balance and eligibility amount)
Balance Eligibility	RM 0

** Approval amount will be subject to the balance eligibility amount at the time of approval.*

Scenario 4

Levy balance as of 1 January 2026	RM20,000
Eligibility amount as of 1 January 2026	RM10,000 (can be utilised until 31 December 2026)
Financial assistance requested on 15 March 2026	RM7,000
Final assistance approved	RM7,000 (50% subject to levy balance and eligibility amount)
Balance Eligibility	RM3,000

** Approval amount will be subject to the balance eligibility amount at the time of approval.*

Scenario 5

Levy balance as of 1 January 2026	RM20,000
Eligibility amounts as of 1 January 2026	RM10,000 (can be utilised until 31 December 2026)
Financial Assistance requested on 1 May 2026	RM30,000
Financial Assistance approved	RM10,000 (50% subject to levy balance and eligibility amount)
Balance Eligibility	RM 0

** Approval amount will be subject to the balance eligibility amount at the time of approval.*

Application Breakdown:

<p>Levy Balance as of 1 January 2026: RM20,000 Eligibility amounts as of 1 January 2026: RM10,000 Training Duration: 15/05/2025 – 15/04/2026 (12 months) SGM Grant Submission Date: 02/05/2026 Basic Salary: RM2,500/month</p>		
Training Month	Basic Salary	Eligible financial assistance
May 2025	RM2,500	RM2,500
June 2025	RM2,500	RM2,500
July 2025	RM2,500	RM2,500
August 2025	RM2,500	RM2,500
September 2025	RM2,500	Not eligible
	⋮	⋮
April 2026	RM2,500	Not eligible

2.4 What is the duration of the graduate skills development programme?

The programme **must be conducted and completed** for 12 months to be claimable under this scheme.

Any programme that **does not fulfil full 12 months duration** will not be eligible to claim under SGM.

2.5 Who is eligible to for SGM?

All Malaysian graduates employed by registered employers that:

- i. have completed all higher academic requirements which may include Sijil Kemahiran Malaysia (SKM) Level 4 and above.
- ii. are seeking their full-time job as permanent or fixed-term contract for at least 12 months period.
- iii. has no prior full-time work experience in the formal sector.

2.6 What is formal sector?

Formal sector refers to the part of the economy that is regulated, officially registered, and recognized by the government. Jobs in this sector follow established labour laws, provide contracts, pay taxes, and usually include protections like EPF and SOCSO.

2.7 What are the other allowances claimable under SGM?

No other allowances are claimable under SGM.

2.8 Can an employer apply for financial assistance if the graduate leaves the job before completing the 12-month programme?

No, the financial assistance under SGM is only claimable if the graduate completes the full 12-month graduate skills development programme. If the graduate leaves before completing the 12 months, the employer is not eligible for financial assistance under this scheme.

2.9 Under SGM, is any level of higher education claimable, particularly for graduates with no prior working experience?

Yes, the SGM is claimable for both undergraduates and postgraduates, if they are seeking for a full-time employment with no prior full-time work experience in the formal sector, after completing their most recent graduate-level course.

Scenario 1: Undergraduate with No Work Experience

After completing her degree in environmental science, Aisha began actively applying for full-time roles as sustainability consultant. Although she had part-time jobs during her studies, she has never held a full-time position, this is her first time entering the job market after completing her graduate studies.

Scenario 2: PhD Graduate with Previous Work Experience

Kelvin worked as a mechanical engineer for five years before deciding to pursue a PhD in Biomedical Engineering. After graduating, he is now seeking full-time employment in a research-intensive role within the healthcare technology sector.

Scenario 3: Already Employed, Switches Career with the Same Employer

Alice has been working full-time as a clerk at her current company. During her employment, she completed a postgraduate diploma in engineering. Upon completing the course, her employer approved an internal transfer, and she is now working full-time as a junior engineer with the same employer.

Scenario 4: Career Break, Returning to Workforce After Further Studies

Aishah completed her bachelor's degree 7 years ago and took a break from employment to focus on personal commitments. After completing her master's degree, she has now returned to the workforce, securing a role in line with her new qualification.

Scenario 5: PhD Graduate Starting First Formal Employment

Daniel completed his PhD in Biology. During his studies, he worked as a research assistant, but he has never held a full-time position. After graduation, he is now seeking his first full-time formal role as a researcher in the healthcare industry.

Eligibility Criteria Summary:

Scenario	Increase in Level of Education	New/Change of Employer	New/Change of Career	Previous Work Experience in Formal Sector	Eligibility
Scenario 1	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	YES
Scenario 2	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	NO
Scenario 3	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	NO
Scenario 4	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	NO
Scenario 5	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	YES

3. Grant Submission

3.1 Who are the employers that are eligible to apply under SGM?

Employers must:

- i. Be registered with HRD Corp.
- ii. Have no legal issues with HRD Corp.

3.2 What are the supporting documents required during grant applications?

The supporting document required during grant submission are:

- i. Higher education completion/graduation letter or certificate which is an official document from a recognized higher learning institution that verifies a student has completed his/her higher learning requirements.
- ii. Employment/Offer letter from current company with monthly allowance equivalent to basic salary details.

- iii. Employment/Offer letter from previous company for graduates with previous working experience, if any.
- iv. Joint declaration by employer and graduate confirming it is the graduate's full-time job after the graduation.
- v. 12-month programme schedule that includes:
 - a. Objectives
 - b. Clearly indicate duration of the programme with start and end date.
 - c. Achieved Learning Outcome.
(Refer to **SGM Form (Ver 1.0)**)
- vi. Proof of 12 months' allowance payment, e.g. bank statements, payslips, etc. Payment voucher will not be considered.

3.3 Can a certificate be part of supporting documents when applying for the grant submission?

Yes, a certificate or official letter from the higher learning institution confirming a graduate has fully completed their studies may be considered as part of the supporting documents during grant submission.

3.4 What documents should be submitted to prove monthly payments made to the graduate?

Employers must submit valid proof of payment such as bank transfer slips to verify monthly payments for the full 12-month period. Payment vouchers will not be considered as valid supporting documents.

3.5 When can employers start to submit grant applications for graduates employed under the scheme?

- i. Employers may submit grant application for graduates that meet the terms and conditions starting from 1 January 2026.
- ii. Grant applications must be made within six (6) months after the programme completion date. **Application submitted after 6 months will NOT be entertained.**

3.6 Is the employer required to submit grant application before the commencement of SGM?

No, employer is only required to submit grant application within 6 months after the completion date of the 12 months programme. **No separate claim application is required.**

3.7 Can employer apply for financial assistance under other HRD Corp schemes for the same employee who is also participating under SGM scheme?

Yes, employer is allowed to apply for other HRD Corp training schemes for the same graduate participating under SGM which includes:

- i. HRD Corp Claimable Courses (HCC)
- ii. Skim Bantuan Latihan (SBL)
- iii. Skim Latihan Bersama (SLB)

4. Compliance and Document Verification

4.1 Can HRD Corp inspect the documents related to the SGM scheme in the employer's premise?

Yes. HRD Corp officers may visit the employer and inspect the documents provided during Grant submission to ensure validity of the document submitted. For more terms and condition, please refer to Grant approval letter.

5. Others

5.1 Where can employer look for SGM implementation guidelines?

Employers can find the SGM implementation guidelines on the HRD Corp Portal, www.hrdcorp.gov.my.

For any enquiries, please contact us at 1300-88-4800 or email us at support@hrdcorp.gov.my.

THE END