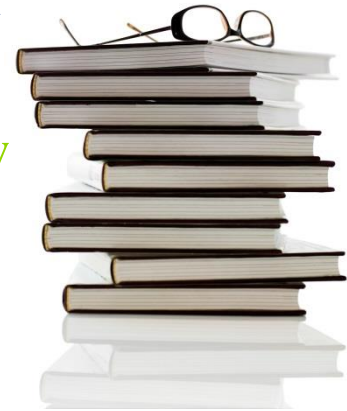


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## Namibian Training Levy

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### Vocational Education and Training levy

The introduction of the vocational education and training levy (“the levy”) has now been gazetted and will be effective from **1 April 2014**. The purpose of the levy is to facilitate and encourage vocational education and training. The levies collected by the Namibian Training Authority (“NTA”) will be used as follows:

- 15% to cover administration costs incurred by the NTA;
- 50% to cover training grants (see below); and
- 35% to cover key priority grants (see below).

The levy will be imposed on the **payroll** of every employer with an annual payroll of **N\$ 1 million or more**. The **levy rate is 1%** of the employer’s total annual payroll.

To comply with the levy, there are a few important definitions to keep in mind. These are “employee”, “payroll” and “remuneration”.

**Employee** means an individual, other than an independent contractor (not defined), who –

- (a) works for another person and who receives, or is entitled to receive, remuneration for that work; or
- (b) in any manner assists in carrying on or conducting the business of an employer.

**Payroll** means the total remuneration paid or payable by an employer to its employees during any financial year.

**Remuneration** means the total value of all payments in money or in kind made or owing to an employee arising from the employment of that employee;

### Exemption from payment of levy

The following employers are exempt from payment of the NTA levy:

- the State;
- Regional councils
- Charitable organisations;
- Public and not for gain educational institutions;
- Faith based organisations (whether or not supported wholly or partly by grants from Government)

Institutions and employers not mentioned above have the opportunity to apply to the Minister of Education to be exempt from the payment of the NTA levy. The legislation

does not set out the criteria that should be followed when applying for exemption.

## Payment of levy

As noted above, the levy is effective from **1 April 2014**. The levy is payable on a monthly basis on or before the 20<sup>th</sup> day of every month. The payment must be accompanied by a levy remittance (a prescribed form). The first payment and return are due on **20 May 2014**.

An employer who fails to pay the levy or submit the monthly form will be subject to interest and penalties. The NTA is also authorised to make a reasonable estimate of the amount of levy that is payable and issue the employer with a notice of assessment for the unpaid amount, in the event of a failure to make payment.

Payments may be made via electronic transfer, cheque (if the payment does not exceed N\$ 500 000) or cash.

## Registration of employers

Every employer with a payroll of N\$ 1 million or more must register with the NTA by the **27 February 2014**.

The registration can be done online at <http://lcdrs.nta.com.na/content/home.cshtml>

## Training grant

The NTA will allocate 50% of the levies received to pay training grants to qualifying employers. The training grant will only be awarded once a year and only on application by the employer. Applications must be submitted by the 30<sup>th</sup> of April each year. The first claims will therefore be submitted by 30 April 2015.

An employer will only be eligible for a training grant if the employer:

- (a) Does not have any outstanding levies due to the NTA;
- (b) Does not have any outstanding penalties and interest on its account; and
- (c) Submits evidence of the implementation of the training to the NTA. The application needs to be accompanied by such documentation, evidence and information as required by the NTA. There are no further details at this stage regarding the information that the NTA will require. Further information and detail will be provided in due course.

Applications may not be made for a group of companies and each subsidiary in a group of companies has to submit its own application.

Unclaimed training grants will be transferred to the key priority fund.

## Key priority grant

Employers, vocational education and training providers, employees and learners may apply for a key priority grant.

Key priority funds will be awarded to meet identified skills shortages such as:

- Sector Needs
- Government Priorities i.e. NDP4, NHRDP
- Strategic Projects for vocational education training expansion

## NTA roadshows

The NTA will conduct various roadshows to share information and assist with registration etc. The roadshow programme kicks off on Monday, 3 February at 9am at the Safari Court Hotel in Windhoek. Regional roadshows will take place from the 10<sup>th</sup> of February. More details will be available in newspapers.

## Contact us

For more information on the topic covered in this newsletter please do not hesitate to

contact our Deloitte Namibia Tax team:

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