



# **IQ PRESENTATION 2015**

**Empowerment through  
Education**



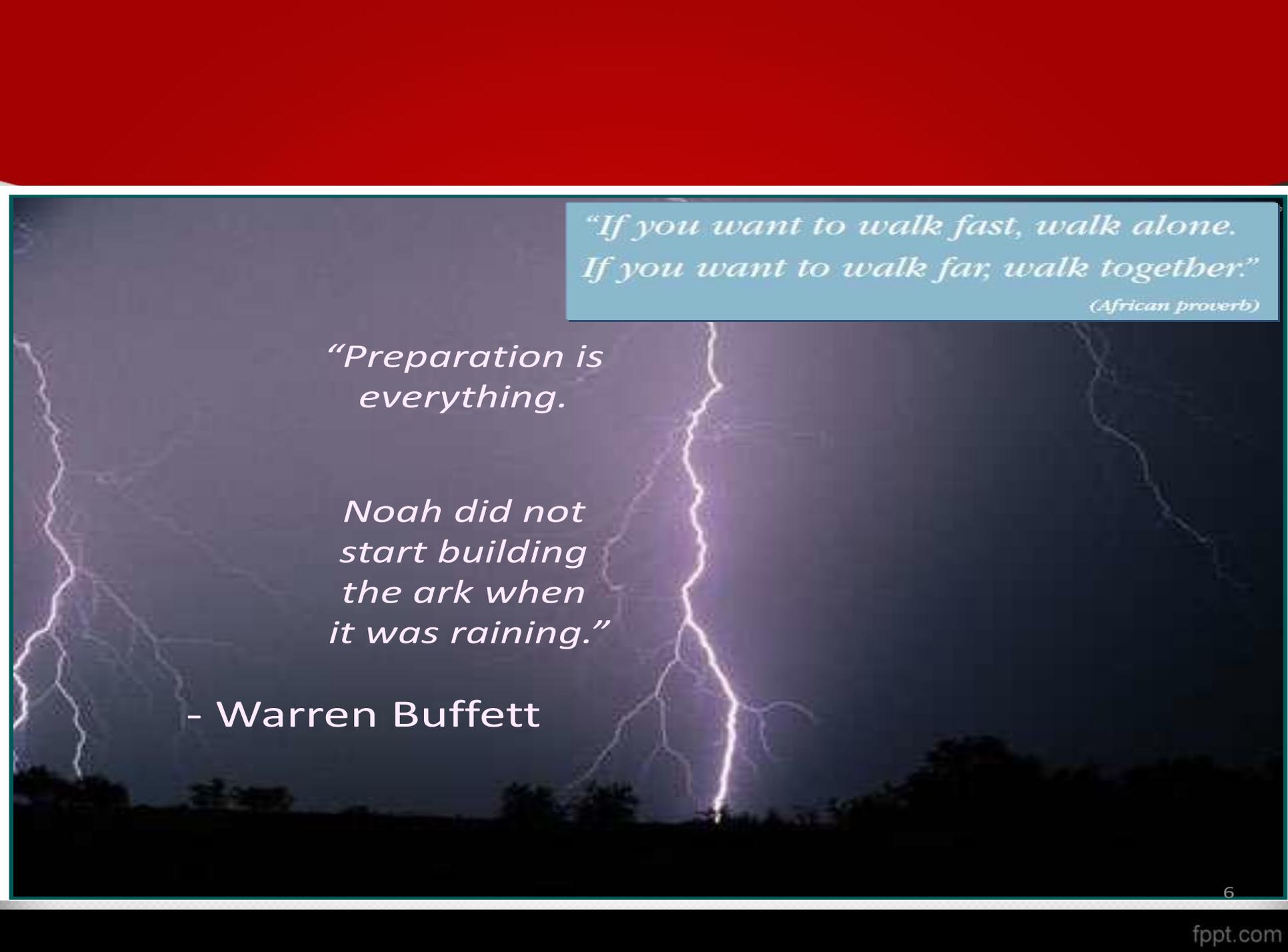
## Welcome and Thanks

We welcome you to this presentation which takes you into the world of IQ  
We sincerely thank you for making the time. I assure you this time is indeed an investment into your company.

As South Africans, our comraderie is magical, our patriotism is infectious and we all committed to building our land and we all wanting of the love our Tata made real. But the world economic realities and the SA economic growth specifically makes it incredibly difficult for business to participates at the level it would like, in developing our country.

This presentation would highlight firstly, the excellent business imperatives and sound business reasons that ds to business growth with predictable bottom line impact. The fabulous added value is that you contribute to developing South Africa. We support you in creating and building your legacy which you proudly leave to your next generation.





*“If you want to walk fast, walk alone.  
If you want to walk far, walk together.”*

*(African proverb)*

*“Preparation is  
everything.”*

*Noah did not  
start building  
the ark when  
it was raining.”*

- Warren Buffett

# Introduction

This presentation has been designed to share information on building business bottom line through effective use of legal available business incentives offered by government. These incentive through implementation of training can if effectively used add millions to your business.

The decision to train therefore must be a strategic one based on financial sensibility. The “cherry on top” is that through building your bottom line you will be building someone’s future and affording them a chance to live better and therefore you are building South Africa.

We understand that in business funds are tight and you feel the load is heavy and moving forward is compromised by all the hoops!!!



# Did you know?

- If at the end of your financial year if you did not get back more than your training budget.
- If your training division is a cost centre rather than a profit centre.
- Your level of BBBEE score is not giving you extra business edge despite being white owned or a multi national.
- Your labour costs are increasing – compromising your bottom line.
- If you are taking your labour from a broker, chances are that your opportunity will be a lot better.

The mechanisms that we level are the:

Learnership tax incentive

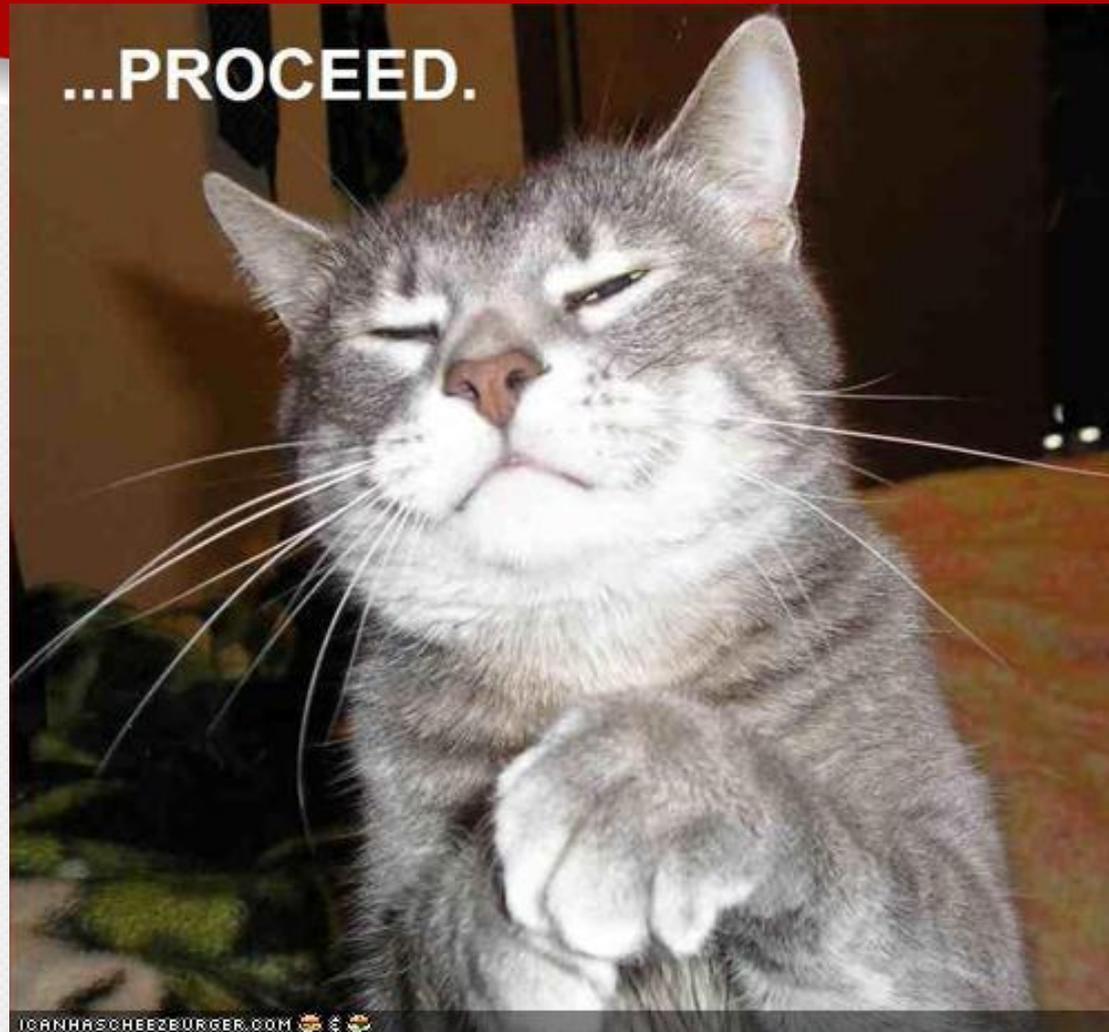
Employee tax incentive

Skills development levies  
(mandatory)

Discretionary grants

BBBEE – impact of a good rating

# Mmmm Sounds interesting!!!



# Labour Brokers

- Do you use a labour broker?
- Are you getting your returns back in form of training or cash?
- Trace the training for past 14 years?
- Our research, many companies don't really take up this benefit and therefore loose a substantial income over a period of time.

# Employee Tax incentive

- Why do we have the tax incentive?
  - What is the employee tax incentive?
  - Who qualifies – Employer, type of employee – natural persons.
  - Employed after 1 October 2013
  - Between 18 to 29.
  - Wages between R2000 and R6000
  - If an employee left and was re-employed he can qualify.
- How long will it be available? 31 December 2016.
- There is no limit to the number of qualifying employees that an employer can hire.

# How do I calculate my ETI?

- In determining the value of the incentive for a particular month, an employer must follow 5 steps:
- Identify all qualifying employees for that month
- Determine the applicable employment period for each qualifying employee (1st 12 months or 2nd 12 months)
- Determine each employee's "monthly remuneration"
- Calculate the amount of the incentive per qualifying employee
- Aggregate the result The incentive should be calculated as follows:

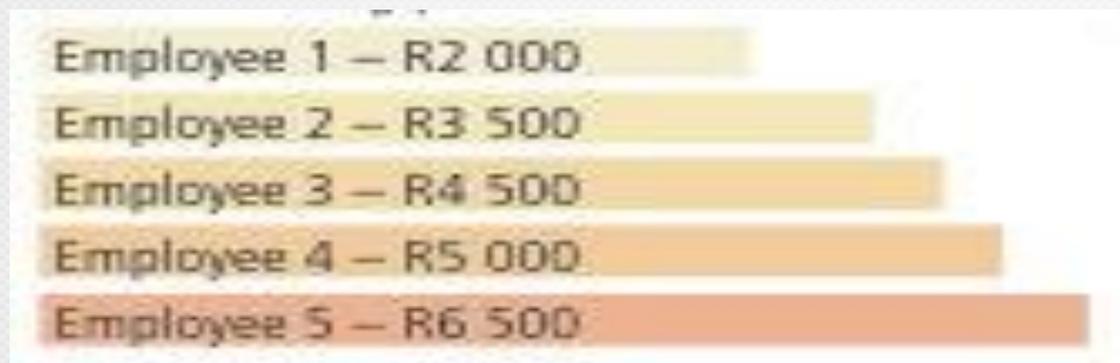
MONTHLY REMUNERATION	Year 1	Year 2
	Employment Tax Incentive per month during the first 12 months of employment of the qualifying employee	Employment Tax Incentive per month during the next 12 months of employment of the qualifying employee
R0 - R2 000	50% of Monthly Remuneration	25% of Monthly Remuneration
R2 001 - R4 000	R1 000	R500
R4 001 - <R6 000	Formula: $R1\ 000 - (0.5 \times (\text{Monthly Remuneration} - R4\ 000))$	Formula: $R500 - (0.25 \times (\text{Monthly Remuneration} - R4\ 000))$

# Example

The following examples are available to assist employers to ensure the incentive amount, which may be claimed, is calculated correctly:

## Example 1

5 employees are employed for the following periods and earn the following salaries:



Employee 1 – R2 000
Employee 2 – R3 500
Employee 3 – R4 500
Employee 4 – R5 000
Employee 5 – R6 500

# Claiming

The ETI amount which may be claimed on the Monthly Employer Declaration (EMP201) is calculated as follows:

EMPLOYEE	MONTHLY REMUNERATION	FIRST 12 MONTHS		NEXT 12 MONTHS	
		Calculation	Amount which may be claimed on EMP201 per month	Calculation	Amount which may be claimed on EMP201 per month
1	R2 000	$R2\ 000 \times 50\%$	R1 000	$R2\ 000 \times 25\%$	R500
2	R3 500	Fixed deductible amount for remuneration from R2 001 to R4 000	R1 000	Fixed deductible amount for remuneration from R2 001 to R4 000	R500
3	R4 500	$R1\ 000 - [0.5 \times (R4\ 500 - R4\ 000)]$	R750	$R500 - [0.25 \times (R4\ 500 - R4\ 000)]$	R375
4	R5 000	$R1\ 000 - [0.5 \times (R5\ 000 - R4\ 000)]$	R500	$R500 - [0.25 \times (R5\ 000 - R4\ 000)]$	R250
5	R6 500	Does not qualify			
<b>Total</b>			<b>R3 250</b>		<b>R1 625</b>

Tip: If the value of the incentive is more than the PAYE liability of the employer in a particular month, or the employer cannot claim in that month for whatever reason, then the incentive will roll over to the next month with certain limitations.

# Learnership Tax Incentive

**The second incentive is the Learnership incentive. The 12H of the income tax act give legality to this incentive.**

What is a learnership?

A learnership is a qualification within the occupational space. It is implemented through a learnership model which requires a partnership between the learner, the employer and the training provider.

IQ offers several learnerships in your sector that addressed your workplace needs.

**If you enroll the same employee on a learnership.**

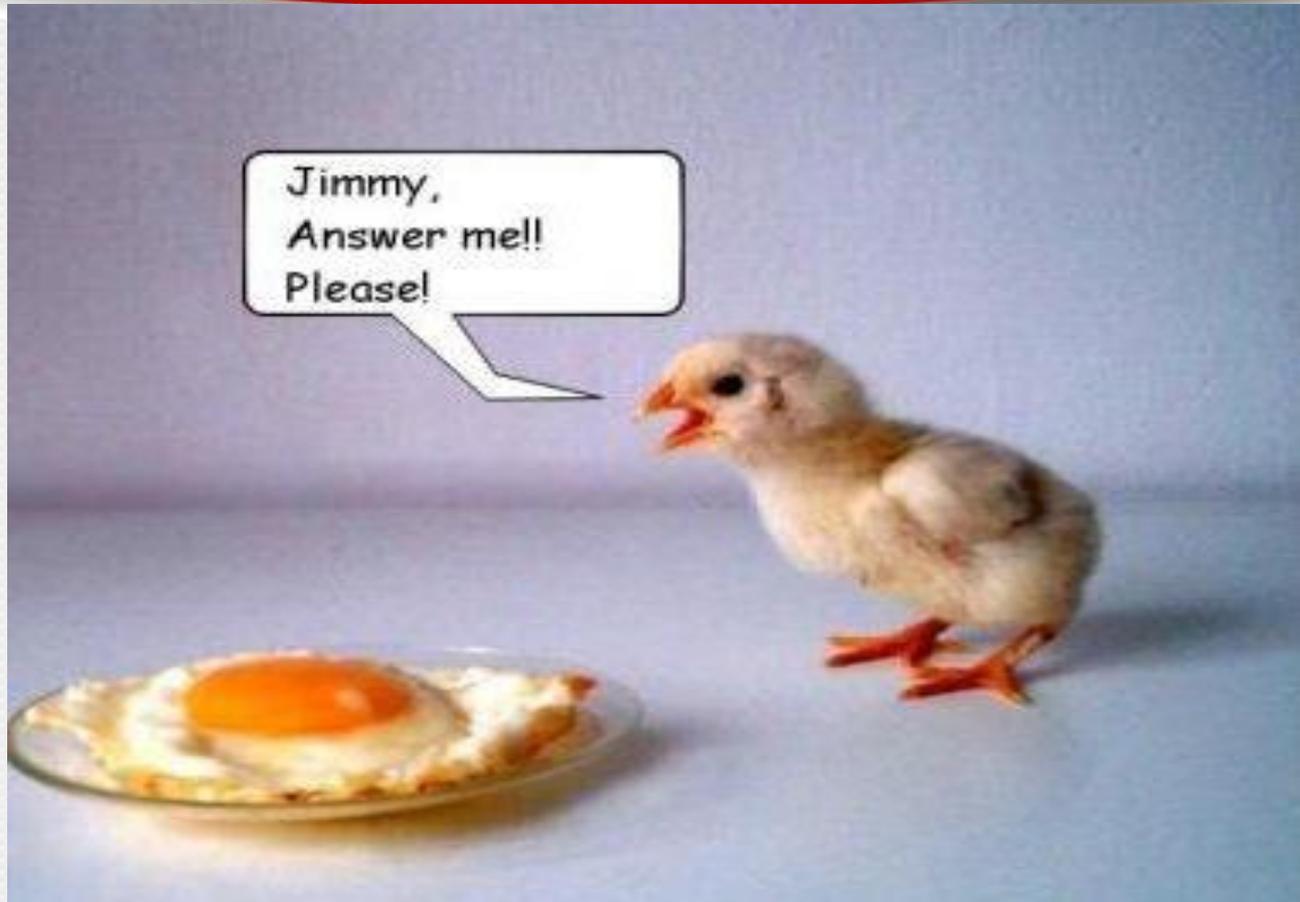
This incentive offers you the employer a tax incentive of R60 000 per learnership. This is incredible value especially to medium to large companies.



# BBBEE

- IQ is a level one company. This means that we can add value to your BBBEE score on two levels. i.e. on :
  - Enterprise and Supplier Development
  - Skills development.
  - On the skills development code:
    - IQ can provide advise to the company on how to maximize leverage in terms of BBBEE. IQ is a level one QSE compliant, 50% woman owned company and it will therefore allow company to claim towards maximum compliance
  - IQ works with several disable learners. IQ will provide your company with advice on how to leverage black unemployed learner as well as disabled learners. IQ manages the entire process allowing company to score on these points without the implementation stress.

Lets Try and address this before  
its too late!



# IQ as a Training Provider

IQ as a training provider:

We take pleasure in sharing with you the suitability of IQ to serve as a training provider to your company. IQ has successfully served as a reliable, trustworthy and effective training provider to a number of key clients who are national, international and multinational. Due to the success of our implementation strategy, all our clients engage in learnerships over a number of successive years. This is primarily because IQ adds value to the business relationships.

# Value added Services

Some of the value added services include:

- Supporting companies with the **skills development facilitator role**, assisting in the completion of the workplace skills plan and training report.
- **IQ** provides all the **administration** required for the learnership thereby reducing the labour and stress input from the employer.
- Advising the clients on **how to leverage any incentive in skills** to add to business bottom line e.g. ETI, learnership and BBBEE.
- Keep client companies **informed of all training** legal and regulatory changes that could impact on the client company.
- Keep our **training prices** in line with the funding received without adding added stress.
- Assist clients in **completing all documents** required for additional funding.
- Ensure that we have the **relevant courses** per industry that are accredited and meet all regulatory requirements.
- We developed **systems that support** the employer through the programme.

# Overview of IQ

IQ started in 2002. We have thus completed 13 years as a training provider operating successfully within the regulated training environment. IQ selection of training offerings is based on detailed analysis of the needs of the particular industry. IQ has selected specific sectors to operate as a provider.

All IQ's training programmes are fully accredited with the relevant seta and registered with the Department of Higher Education and Training.

## Strengths:

- National Association linkages and networks
- Quality audit system
- Industry experts

# What does IQ offer?

## **What does IQ offer?**

- Learnerships
- Full Occupational Qualifications
- Shorter skills programmes
- Nated courses (N1 to N6)

Learners can study full time, part time, through distance learning. This is done in the following delivery modality:

- Face to face tuition
- E learning on IQ e learning platform. This requires the company to provide a computer station with speakers and internet access.
- All modules with detailed lessons taught by the teachers with voice overs are put onto a PC tablet. Learners can access these whenever they choose to study. No internet is required.

# IQ Programmes

## **Transport Sector**

Transport (Basics)  
International Trade  
Freight Forwarding and Customs  
Compliance  
Freight Handling  
Logistics  
Supply chain management  
Shipping  
Road Operations

## **Services**

Beauty Technology  
Hairdressing  
Domestic Services

## **Health**

Community Health  
Social Auxillary work  
Occupational Health and safety

## **Business**

Business Administration  
Generic Management

# More Programmes

## **Food and Beverage Manufacturing**

Food and Beverage handling  
Food and Beverage Processing  
Food and beverage Manufacturing management  
Food and beverage maintenance of processes

## **Wholesale and Retail**

Wholesale and Retail Operations  
Wholesale and Retail Supervision  
Wholesale and Retail Management

## **Training and Development**

Certificate :Occupationally Directed education, training and development  
Assessor, Moderator, SDF etc.  
Diploma: Occupationally Directed education, training and development  
Trade union Practitioner

## **Technical**

Welding  
Air Conditioning  
Automotive body Repairer  
(Panel Beating)  
Automotive Repair and maintenance (Motor Mechanics)  
Spray painting

Chemical Operations  
(Chemical sector)  
Electrical Engineering  
N1 to N6 Engineering



There will be some resistance to  
any notions of change!





**JUST...JUST STOP**

Because the more you talk, the stupider you sound.

**Blingee**

*Institute for Quality*

