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Date: 25 November 2024

EMPLOYER'S CIRCULAR NO. 5/2024

THE IMPLEMENTATION OF PROGRAM LATIHAN MADANI BY HRD CORP UTILISING THE 15 PER CENT FROM THE REMAINING UNUSED LEVY BALANCE FOR THE YEAR 2024

1.0 PURPOSE

- 1.1 The purpose of this circular is to inform HRD Corp registered employers about the implementation of **Program Latihan MADANI** by HRD Corp, which will entail the collection of 15 per cent from their remaining unused levy balance for the year 2024 **for employers who fulfil the criteria specified only.**

2.0 BACKGROUND

- 2.1 Yang Amat Berhormat Dato' Seri Anwar bin Ibrahim, the Prime Minister of Malaysia announced the continuation of the implementation of Program Latihan MADANI in his tabling of Budget 2025, on 18 October 2024. The announcement mandated HRD Corp to allocate 15 per cent from the unused levy balance of registered employers in the HRD Fund, for 2024, as a Special Fund to support skills development programmes for micro-SMEs (MSMEs) and underserved communities which include B40 individuals, formerly incarcerated individuals, persons with disabilities (PWDs), senior citizens and retirees.

3.0 OBJECTIVES

- 3.1 To expand training and development programmes for underserve communities, thereby improving their chances to secure income generation or employment opportunities.
- 3.2 To help employers especially micro-SMEs that do not have sufficient levy balance to fund the employees' training programmes continuously, by giving them the means to do so.
- 3.3 To support the Government's efforts of developing a highly skilled workforce for the long term, through sustainable training and development programmes, with a particular emphasis on funding high-level technical courses.

4.0 MECHANISM

- 4.1 Employers who meet the following two (2) criteria shall be subjected to a 15 per cent levy deduction from their unused levy in 2024.
 - a. Unused Levy balance of RM 50,000 and above for **2024 only**; and
 - b. Levy utilisation rate of less than 50% from the employer's contribution from 1 January 2024 to 31 December 2024.

5.0 EFFECTIVE DATE AND GRACE PERIOD

- 5.1 The implementation of the above-mentioned deduction for **Program Latihan MADANI** is 15 per cent from the remaining unused levy balance for the year 2024, effective **1 January 2025**.
- 5.2 However, a **two (2) months grace period from 1 January 2025 to 28 February 2025** has been granted, to provide employers with more time to utilise their levy contribution to more than 50% for the year 2024 for training purposes.

5.3 The 15 per cent deduction will commence on **1 March 2025**, for all affected employers.

6.0 CLOSING

6.1 For further clarification and assistance, kindly contact our Support Centre via <https://supportcentre.hrdcorp.gov.my/portal/en/home>.

Thank you.

Delivering Quality, Developing Excellence"
"Malaysia MADANI"

Yours sincerely,



Datuk Wira Shahul Dawood
Chief Executive
Human Resources Development Corporation

**THE IMPLEMENTATION OF PROGRAM LATIHAN MADANI BY HRD CORP
UTILISING THE 15 PER CENT FROM THE REMAINING UNUSED LEVY BALANCE FOR
THE YEAR 2024**

Frequently Asked Questions (FAQ)

1. What is Program Latihan Madani (PLM)?

PLM is an initiative aimed at empowering the country's micro-SMEs and communities in need through training and development opportunities. The programme, first announced by the Prime Minister of Malaysia, Yang Amat Berhormat Dato' Seri Anwar Ibrahim, as part of Budget 2024 and was later continued as part of Budget 2025, seeks to expand access to training and development for employees within micro-SMEs, persons with disabilities (PWDs), senior citizens, retirees, current and formerly incarcerated persons and B40 communities.

2. Who will be impacted by the PLM deduction?

All employers from all industries, or sectors registered with HRD Corp who meets the criteria for the PLM deduction as per FAQ No. 3.

3. What are the criteria for deductions to fund Program Latihan Madani (PLM)?

Employers who meet the following two (2) criteria shall be subjected to a 15 per cent levy deduction from their unused levy in 2024.

- a. Levy balance of RM 50,000 and above for the year 2024 only; and**
- b. Levy utilisation rate of less than 50% from the employer's contribution from 1 January 2024 to 31 December 2024.**

4. What is the purpose of the grace period?

The grace period is from 1 January 2025 to 28 February 2025. It is geared at providing sufficient time for employers to utilise their unused levy before the 15 per cent deduction comes into effect.

5. What happens if the employer utilises more than 50% of their levy balance by end of the grace period?

The employer will not be affected by the 15 per cent PLM deduction since one of the criteria is not fulfilled.

6. How is the 15 per cent PLM deduction calculated?

The formula for calculating the deduction is as follows:

$(\text{Levy Collection in 2024} - \text{Levy Reimbursement in 2024}) \times 15\%$

Please see the example below for further clarification:

$\text{Levy Balance} = \text{Levy Collection} - \text{Levy Reimbursement}$
$\text{Levy Utilisation} = \text{Levy Reimbursement} / \text{Levy Collection}$

Scenario 1: FULFILS THE REQUIREMENTS FOR THE 15 PER CENT PLM DEDUCTION

01/01/2024 – 31/12/2024

Levy Collection	RM 1,000,000
Levy Reimbursement	(RM 400,000) *
Levy Balance	RM 600,000 *

*Please refer to outcome in the table below.

PLM Criteria	*Outcome	
Levy balance of RM 50,000 and above	RM 600,000	√
Levy utilisation rate of less than 50%	40%	√

The employer that falls under Scenario 1 **FULFILS BOTH THE CRITERIA** and is **AFFECTED by the PLM Deduction** as per below:

PLM Deduction	RM 600,000 x 15% = RM90,000
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Scenario 2: DOES NOT FULFIL THE REQUIREMENTS FOR THE 15 PER CENT PLM DEDUCTION

01/01/2024 – 31/12/2024

Levy Collection	RM 50,000
Levy Reimbursement	(RM 10,000) *
Levy Balance	RM 40,000 *

*Please refer to outcome in the table below.

PLM Criteria	*Outcome	
Levy balance of RM 50,000 and above	RM 40,000	X
Levy utilisation rate of less than 50%	20%	√

The employer that falls under Scenario 2 **DOES NOT FULFIL THE CRITERIA ON LEVY BALANCE OF RM50,000 AND ABOVE** and **WILL NOT BE AFFECTED** by the **PLM Deduction**.

Scenario 3: DOES NOT FULFIL THE REQUIREMENTS FOR THE 15 PER CENT PLM DEDUCTION

01/01/2024 – 31/12/2024

Levy Collection	RM 1,000,000
Levy Reimbursement	(RM 600,000) *
Levy Balance	RM 400,000 *

*Please refer to outcome in the table below.

PLM Criteria	*Outcome	
Levy balance of RM 50,000 and above	RM 400,000	√
Levy utilisation rate of less than 50%	60%	X

The employer that falls under Scenario 3 **DOES NOT FULFIL THE CRITERIA ON LEVY UTILISATION RATE OF LESS THAN 50%** and hence, is **NOT AFFECTED** for the **PLM Deduction**.

Scenario 4: DOES NOT FULFIL THE REQUIREMENTS FOR THE 15 PER CENT PLM DEDUCTION (AFTER 2 MONTHS GRACE PERIOD)

Date	Type	Contribution (A)	Reimbursement (B)
31/12/2024	Opening Balance	RM 1,000,000	RM 300,000
Jan-25	Levy Contribution	RM 50,000	
Jan-25	Claim Approved		RM 150,000
Feb-25	Levy Contribution	RM 50,000	
Feb-25	Claim Approved		RM 45,000
28/2/2025	Total Amount	RM 1,100,000	RM 495,000

NOT FULLFILL FOR DEDUCTION		
FORMULA		
A	Levy Contribution 1/1/2024 until 31/12/2024	RM 1,000,000
B	Levy Utilisation 1/1/2024 until 31/12/2024	RM 300,000
C	Levy Utilisation 1/1/2025 until 28/02/2025	RM 195,000
A-B=C	Levy balance 2024	RM 700,000
(B+C)/A	Levy Utilisation %	50%

*Please refer to outcome in the table below.

PLM Criteria	*Outcome
Levy balance of RM 50,000 and above	NOT APPLICABLE
Levy utilisation rate of less than 50%	50% X

The employer that falls under Scenario 4 **DOES NOT FULFIL THE CRITERIA ON LEVY UTILISATION RATE OF MORE THAN 50%** and **WILL NOT AFFECTED** for the **PLM Deduction after the grace period.**

Scenario 5: FULFIL THE REQUIREMENTS FOR THE 15 PER CENT PLM DEDUCTION (AFTER GRACE PERIOD)

Date	Type	Contribution (A)	Reimbursement (B)
31/12/2024	Opening Balance	RM 1,000,000	RM 300,000
Jan-25	Levy Contribution	RM 50,000	
Jan-25	Claim Approved		RM 80,000
Feb-25	Levy Contribution	RM 50,000	
Feb-25	Claim Approved		RM 25,000
28/2/2025	Total Amount	RM 1,100,000	RM 405,000

FULLFILL FOR DEDUCTION		
FORMULA		
A	Levy Contribution 1/1/2024 until 31/12/2024	RM 1,000,000
B	Levy Utilisation 1/1/2024 until 31/12/2024	RM 300,000
C	Levy Utilisation 1/1/2025 until 28/02/2025	RM 105,000
A-B=D	Levy balance 2024	RM 700,000
(B+C)/A	Levy Utilisation %	41%
D x 15%	15% Deduction for PLM	RM 105,000

PLM Criteria	*Outcome	
Levy balance of RM 50,000 and above	NOT APPLICABLE	
Levy utilisation rate of less than 50%	41%	√

The employer that falls under Scenario 5 **FULFIL THE CRITERIA ON LEVY UTILISATION RATE OF LESS THAN 50% and WILL AFFECTED for the PLM Deduction after the grace period.**

7. When will the PLM deduction come into effect?

The 15 per cent PLM deduction will be effective on **1 March 2025**, after the two-month grace period.

8. How will the affected employers be notified of the implementation of 15 per cent of the PLM deduction?

Affected employers will receive email reminders from HRD Corp on **a bi-weekly basis from December 2024 to February 2025** via their registered email.

9. How can the employers view the information on their levy balance, levy utilisation and PLM deduction?

The employers may view the information by following the steps below:

- a. Log in to e-Tris.
- b. Navigate to the "Application" section.
- c. Select "Levy" from the available options.
- d. Choose "Levy Statement" to access your statement.
- e. Click on "View Levy Statement" to see the updated information.
- f. For Levy Balance and Levy Utilisation, please select statement date 1/1/2024 until 31/12/2024 and click search.
- g. For PLM deduction, please view the latest Levy Statement.

10. Can the affected employers appeal against the PLM deduction?

No. They cannot appeal against the PLM deduction as sufficient time and notice has been given for them to utilise their levy.

11. Are newly registered employers affected?

Yes, if the newly registered employers meet the two (2) criteria in FAQ No. 3.

12. Is this PLM deduction a one-off or yearly deduction?

The PLM deduction is a one-off as per announcement of Budget 2025. Any further deduction is subject to the government's future announcements (if any).

13. Will planned or booked training sessions be considered as levy utilised?

The deduction is based on actual utilisation only, **where claims have been approved**. Therefore, planned or booked training sessions are not taken into consideration.

14. How do I obtain more information on this matter?

Employers may visit <https://hrdcorp.gov.my/> or alternatively contact HRD Corp's support team via support@hrdcorp.gov.my or toll-free Call Centre at 1800-88-4800 for further enquiries.