

## 10. What incentives are there to employers for implementing learnerships?

### GOVERNMENT TAX INCENTIVES TO EMPLOYERS

<b>GOVERNMENT TAX INCENTIVES (Effective from 1 October 2001)</b> (Amendment of section 12H of the Income Tax Act 58 of 1962)	
<b>Conditions for tax deduction</b>	<b>Amount that an employer can deduct from the income derived during any year of assessment</b>
<b>Section 12H (2)a(i)</b> For every employed learner on an LS [i.e. section 18(1) learners]	Deduction of an amount equal to the <i>lesser</i> of: - 70% of the annual remuneration of the learner as stipulated in the LS Agreement OR - R 17,500.
<b>Section 12H (2)a(ii)</b> For every unemployed learner taken on an LS by the employer [i.e. section 18(2) learners]	Deduction of an amount equal to the <i>lesser</i> of: - The annual remuneration of the learner as stipulated in the LS Agreement OR - R 25,000.
<b>Section 12H 2(b)</b> For each registered LS Agreement entered into in that year	Deduction of an amount equal to the <i>lesser</i> of: - The annual remuneration of the learner stipulated in the LS Agreement OR - R 25,000.
DEDUCTIONS APPLY ONLY IF: The employer has provided details of the SETA, the title and code of the LS, names and ID of learners, and proof of compliance with all the requirements of the Skills Development Levies Act. This tax is deductible at the end of the financial year.	

[Answer to FAQ 10, The NQF and Learnerships, the NQF Gateway]