

## 07 Which costs are claimable?

The claimable costs include among others: tuition or trainer fees; stationery costs; trainee salaries prorated to number of days in training; travel costs and short courses up to certificate level.

## 08 Are the training costs wholly reimbursed?

The training costs are reimbursed based on the training levy paid for a particular period and the total costs incurred. The lesser amount between the two will be paid as reimbursement.

### Example:

If turnover = P1,000,000 then Levy paid= P2,000.00.

Maximum claimable based on levy is:

$P1000 \times 7.50 + P1000 \times 3.75 = P11\,250.00$

If training costs are P20 000.00.

The approved reimbursement will be P11,250.00

However if training costs are P6,500.00

The approved reimbursement will be P6,500.00

## 09 Can I train non-citizens?

A company can train non-citizens only after obtaining pre-approval from HRDC prior to training.

## 10 What happens if the training that I want is not accredited in Botswana?

Pre-approval is requested. It is the responsibility of the employer to ascertain the accreditation status of the institution in question.

**N.B: PRE-APPROVAL WILL BE GRANTED WHERE IT IS CLEAR THAT THERE IS NO SIMILAR TRAINING IN BOTSWANA**



**HUMAN  
RESOURCE  
DEVELOPMENT  
COUNCIL**  
of BOTSWANA

## ABOUT THE HUMAN RESOURCE DEVELOPMENT FUND (HRDF)



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## What is Human Resource Development Fund?

The Human Resource Development Fund (HRDF) is a training fund that has been established for skills development in the country. It is operated through a levy grant system where companies pay a levy into the Fund and are reimbursed costs that they incurred for training their employees. Training should be accredited with Botswana Qualifications Authority (BQA) or with a similar regulatory body in the country of origin if the Training is outsourced outside Botswana. It is important to note that the levy payer should ensure that both the programme and trainer are accredited.

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## What is a training levy?

A training levy is a levy based on an **employer's turnover**. An employer is any person registered or liable to be registered under the Value Added Tax (VAT) Act

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## Which companies pay training levy?

Any company that accumulates an annual turnover of over the current VAT threshold must pay the training levy.

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## What are the training levy rates?

TURNOVER	LEVY PAYABLE
Less than P1,000, 000.00	no levy
P1,000, 000.00 to 2 billion	0.2%
Excess of 2 billion	0.05%
Oil industry	0.05% on regulated petroleum products

**N.B: Quick shop sales will attract 0.2% rate for oil industry companies**



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## How does one submit a complete reimbursement claim?

- A company should complete the reimbursement form obtainable from HRDC offices or website ([www.hrdc.org.bw](http://www.hrdc.org.bw)).
- Attach the BQA Accreditation Certificate for the institution and trainer.
- Pre-approval letters for training outside Botswana or of non-citizens.
- Certified copies of valid identity cards (Oman) for trainees; if the identity card has expired, the applicant must attach the renewal receipt.
- Certified copies of certificates or progress reports or transcripts for trainees.
- Certified copy of attendance register during training.
- Original receipts or other proof of payment for all costs incurred. This is used to verify the costs that have been incurred for the training.
- Salary spreadsheet showing computations when claiming salary costs (payslips are proof of payment of the costs).

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## How is the maximum claimable calculated?

- Every P1.00 paid as levy **up to a maximum of** P1,000.00 shall generate a grant of P7.50;
- Every P1.00 paid as levy **in excess of** P1,000.00 but below P5,000.00 shall generate a grant of P3.75;
- Every P1.00 paid as levy in excess of P5,000.00 shall generate a grant of P2.00;

### Example:

An employer who has paid a levy amounting to P 55,000.00 in any one financial year would be eligible for:

P1.00 - P1,000.00;  $P1,000.00 \times P7.50 = P7,500.00$

P1,001.00 - P5,000.00;  $P4,000.00 \times P3.75 = P15,000.00$

P5,001.00 and above;  $P50,000.00 \times P2.00 =$  gives a grant of P100,000.00

**TOTAL maximum claimable** = P7,500.00 + P15,000.00 + P100,000.00 = **P 122,500.00**