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### **Learnership Guidelines for Unemployed Youth**

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## Acronyms and Definitions

INSETA	Insurance Sector of Education Training Authority
SETA	Sector Education and Training Authority
NSDP	National Skills Development Plan
WSP	Workplace Skills Plan
ATR	Annual Training Plan
PIVOTAL	Professional, Vocational Technical and Academic Learning Programme
NQF	National Qualification Framework
SSP	Sector Skills Plan
APP	Annual Performance Plan
SDA	Skills Development Act
SDL	Skills Development Levies
TVET	Technical, Vocational Education and Training Colleges
LGA	Learnership Grant Application
OQ	Occupational Qualifications
QCTO	Quality Council for Trades and Occupations
OQ	Occupational Qualifications
POPIA	Protection of Personal Information Act
BCEA	Basic Conditions of Employment Contract
SDP	Skills Development Provider
DG	Discretionary Grants
ETQA	Education and Training Quality Assurance
EOI	Expression of Interest
MIS	Management Information System

## **1. Preamble**

The Skills Development Act and the Skills Development Levies Act provide for the collection of levies from employers in the insurance and related services sector and provides directives and/or guidelines on how the funds allocated to each SETA should be disbursed.

The INSETA Learning Division has drafted a formal Learnership Guideline for implementation of learnerships for Unemployed Youth, Unemployed People living with Disability and Unemployed Rural Youth between the ages of 18 and 35 years. These learnerships may include Learnerships registered against Occupational Qualifications that have been registered by DHET.

This guideline document should be used for reference and preparation for implementation of learnerships by all applicants intending to implement unemployed learnerships.

## **2. Grant Regulations**

On 3 December 2012, revised Grant Regulations were gazetted, which impacted on the allocation of SETA funding. In line with the Grant Regulations, the INSETA reviewed Discretionary Grant Policy and procedure to regulate the funding and implementation of learning programmes.

## **3. Discretionary Funds**

The Discretionary funds allocation allows the INSETA to exercise discretion in relation to how discretionary grants are utilised towards implementation of the sector skills plan and strategic objectives. The priority focus is on meeting the scarce and critical skills needs of the sector, occupations on high demand and closing the gap between labour market needs and skills supply. Disbursement of discretionary grant funding aims to:

- Address the scarce and critical skills needs of the sector as identified through the SSP and other relevant research.
- Focus on PIVOTAL programmes that meet the essential needs of the labour market and youth skills development.
- Encourage structured learning, practical and work integrated learning within programmes as a priority,
- Support public TVET institutions to deliver scarce and critical qualifications needed by the sector and
- Ensuring that mechanisms are put in place for monitoring workplace learning.

## **4. Learnerships**

A learnership is a structured learning programme registered by the DHET and facilitated through a link between structured learning and work experience in order for learners to obtain a registered qualification. A Learnership is a structured work-based learning programme that includes both theoretical learning with an accredited training provider and practical experience in the workplace, that leads to a registered qualification.

4.2 INSETA supports the delivery of the learning programmes through learnership of unemployed youth with an objective to:

- Address the scarce and critical skills as identified in the SSP.
- Addressing the needs for occupations that are high demand.
- Promote the delivery of occupational qualifications through learnerships in addressing scarce and critical skills
- Promote the developmental and transformational imperatives of NSDP.
- Increase the professionalism of the sector.

## **5. Application windows**

Learnership approval and funding allocation will only be allocated through application during DG windows opened or through an Expression of Interest at the discretion of INSETA. No applications will be considered outside of application window or expression of interest window timeframes as prescribed by INSETA.

Applications must be made for both INSETA funded and self-funded/industry funded learnerships.

No applications will be considered outside of application window or expression of interest window timeframes as prescribed by INSETA unless the application is for the delivery and implementation of self-funded/industry funded Learnership programme.

Application windows will be announced via the INSETA website or any other mechanisms of communication (media adverts, direct notice etc) at the discretion of INSETA, subject to availability of funding within that particular financial year.

## **6. Learnership funding**

6.1 INSETA funds the following learnership programmes:

- Learnership for unemployed youth
- Learnership for learners living with disabilities.
- Rural learnerships for unemployed youth
- Learnership for TVET unemployed youth

6.1.1 Funding will cover a capped cost of study and may include support. This cost shall be determined by the criteria set for the programme and the programmes applied for.

### **6.2 Eligibility for funding**

6.2.1 Employers' eligibility is outlined in the INSETA DG policy and procedure and should comply with the prescripts of the Discretionary Grant Policy and Procedure as follows:

- INSETA registered employers: Levy-paying and non-levy paying.
- Higher Education Institutions: Public TVET Colleges In the event of non-performance by any host employer or TVET College funded by INSETA in terms for learnerships programme, all further funding will be withheld until an investigation is completed.
- Employers or TVET Colleges found to be non-compliant in past implementation of INSETA-funded learning programmes will not be considered for funding unless evidence of remediation to the satisfaction of INSETA can be produced.

6.2.2 Learners' eligibility as beneficiaries of INSETA-Funded Learnerships is outlined in the INSETA DG policy.

- Learners must be unemployed, South African citizens.
- Learners must be between the ages of 18 and 35 years.
- For the rural unemployed learnership learners must reside in the rural areas as stated or classified as such by the municipality
- A learner may not be on more than one INSETA-funded programme within a 12-month period unless it is an INSETA-initiated programme.
- Learners that previously exited an INSETA-funded programme prior to completion will not be considered unless special representation has been made by the employer. Approvals are at the discretion of INSETA.
- Learners are subject to the terms and conditions of the contract of employment entered into with the employer and the performance requirements of the learnership programme.

### 6.3 Funding Amount

Discretionary Grant breakdown				
Category	Stipend p/m	Tuition	Work Readiness Programme	Regulatory Exam
Unemployed youth incl. TVET	R3 000	R20 000	R7 500	R1 700
Unemployed learners living with disabilities	R4 000	R20 000	R7 500	R1 700
Unemployed rural youth	R4 000	R25 000	R 7500	R 1700

### 7. Refunds

- All the funds that are not utilised for the purposes allocated must be paid back to INSETA.
- In a case of learner termination, all the funds (training fee and stipend) that were already paid to the employer and not yet used must be paid back to INSETA.
- Refunds will be processed for tuition costs not yet paid to the SDP or for the deliverables not yet implemented by the SDP.
- INSETA will do the reconciliation of the project deliverables versus the funds paid to the stakeholder.
- The reconciliation will be forwarded to an employer and upon agreement, INSETA will forward an invoice of the funds and the banking details of where the refund to be paid.

### 8. Programme Duration and leave

- Learnership programmes will run for a minimum of 12 consecutive months to a maximum of 24 months to accommodate the Occupational qualification.
- Any leave (including maternity leave) that is requested by the learner during the course of the programme must be considered according to the host employer policies that must be aligned to the Basic Conditions of Employment Act (BCEA).
- In the case of maternity leave, no learner may return to work within 6 weeks after the birth of her child unless a medical practitioner or midwife certifies that she is fit to do so.
- The employer must inform INSETA in writing as soon as maternity leave is requested in order for INSETA to extend the learnership programme for that learner. No stipend will be paid for the period of maternity leave.
- Any training that the learner has missed due to maternity leave must be made up for on their return to work and in agreement with the SDP. INSETA will not pay for any associated additional training costs.

## **9. Terminations**

In the event that a learner terminates the programme prior to completion the following must be noted.

- A termination report must be submitted in a prescribed template within 14 calendar days of the official termination confirmation, signed by learner, SDP and host employer.
- no further stipends will be paid for the learner and refunds will be processed where applicable.
- INSETA does not support the reimbursement by learner to employer, of funding already paid by INSETA for any component of the learnership that the learner has attended.

## **10. INSETA Learnership Grant Approval**

### **10.1 Application process:**

Employers and TVET colleges are required to apply in the prescribed manner as detailed in the advert/notice, during the open DG application window or EOI as communicated by INSETA, for both INSETA-funded and self-funded learnerships.

Applications must be made separately per region and according to commencement period of the programme.

Recommendations and approvals will be considered against the applicants' eligibility criteria outlined in the INSETA DG policy and procedure, including the following:

- previous implementation of INSETA funded programmes
- the size of the applicant company
- the available infrastructure and support for learners
- budget availability as well as
- compliance with the INSETA DG Policy and procedure
- a multiple year model is intended to accommodate full learning programmes followed by work experience programmes, to improve employability of youth.

### **The following principles will inform approval:**

- Funding for learners will not exceed the number of permanent staff members.
- Employers must have identified mentors with relevant experience in the workplace to support the learners.
- Employers must adhere to a ratio of 1 mentor to every 3 learners however, for small employers, this does not guarantee that a minimum of 3 learners will be allocated.
- First time applicants will be approved initially with a conservative number of learners allocated. Increased numbers may be considered for subsequent applications.



- Prior to approval of DG funding applied for, site visits will be conducted at INSETA's discretion for new applicants and for the companies that have not participated in the previous two financial years.
- Any employer who intends placing learners at secondary sites, must inform INSETA. The latter will then evaluate the secondary site prior to approval and placement.
  - Secondary sites must be in the business of insurance or related services (according to the standard industry classification –SIC- codes)
  - Secondary site arrangements must be subject to formal agreement between the lead employer and the secondary employer. This agreement must be made submitted to INSETA on application.

## **10.2 Approval Process**

- Approval of Discretionary Grant applications shall fall within the operational mandate, subject to relevant delegations of authority of the INSETA Upon completion of evaluation, INSETA will advise the applicant of approval or rejection in writing.
- INSETA will allocate a unique Learnership Grant Allocation (LGA) number for all approved Learnerships, whether INSETA-funded or self-funded. This reference number will be provided to the applicant company on a formal, signed recommendation letter.
- Applicant company may commence the learnership programme only after receipt of the written approval by INSETA.

## **11. Commencement of Learnership**

Once the recommendation letter indicating LGA has been received, the employer will be expected to recruit and contract with learners and an appropriate SDP according to the criteria set out in these guidelines.

Prior to commencing with the learnership, in accordance with the recommendation letter the following must be done:

### **11.1 Within 30 days from the receipt of the recommendation letter:**

- The employer/stakeholder must inform the acceptance or rejection of the DG allocation by means of writing a formal letter on the company letter and it must be signed by the company authorised signatory.
- The letter must inform the number the employer/stakeholder is accepting including the commencement date and it must inform the number of learners that the employer/stakeholder will absorb on completion of the programme.
- The employer/stakeholder must forward a formal letter on the company letterhead informing the name and contact details of the authorised signatory of the company.

### **11.2 14 (fourteen) days prior to the commencement of the programme:**

- All the learner information must be captured into the INSETA Management Information System prior the commencement of the programme.

### **The below documents must be uploaded on the MIS as per the prescribed manner:**

- Completed fixed term contract of employment between learners and employer.
- Certified copy of relevant qualifications (not older than 6 months)
- Certified ID copy for all learner beneficiaries applied for (not older than 6 months)
- Certified copy of a Marriage certificate where a learner's surname is NOT identical with that on the ID copy due to change of a maiden surname.
- Workplace Based learner agreement completed in full.
- Proof of disability, where appropriate
- Proof of signed agreement between primary employer and any host sites (if applicable)
- POPI Act Declaration Form
- Training schedule as per training provider/SDP

### **List of Learner spreadsheet fully completed as per INSETA prescribed format must be filled and forwarded to [learnershiprecords@inseta.org.za](mailto:learnershiprecords@inseta.org.za)**

Once the required documentation has been received, evaluated and validated, INSETA will approve the learner on the system.

INSETA will issue employer/stakeholder with a final funding agreement which sets out the terms and conditions including the deliverables of the allocation.

This agreement must be signed by the authorised signatory and returned to INSETA within 10 calendar days from the date of receipt.

## **12. Payment of Learnership Funds to the Employer**

INSETA will make a maximum of three tranche payments.

- For large employers, payment will be made in two tranches 80% on commencement and 20% on completion of the programme.
- For small and new companies, payment will be made in three tranches 45% on commencement, 25% on midterm and 30% on completion of the programme.

- For TVET colleges, payment will be made in three tranches 40% on commencement, 40% on midterm and 20% on completion of the programme,
- In respect of cross-sectoral Learnerships, i.e., Learnerships that are quality assured by an ETQA other than the INSETA ETQA, payments will be made in three tranches. The final 20% will be allocated as follows:
  - 10% will be paid for completion, on submission of all required documentation and
  - the final 10% will be paid after certification, where the certificate is submitted to INSETA via the applicant employer.
- Work Readiness Programme and Regulatory Exams fee will only be paid when proof of implementation is provided.

INSETA will request an invoice<sup>1</sup> for the first tranche payment, as a percentage of the allocated amount stipulated in the final funding agreement.

- Payment will not be made unless INSETA has given prior approval in writing to the applicants approving the learnership and there is a signed funding agreement between INSETA and the employer/stakeholder.
- No person or entity is entitled to commit INSETA financially or otherwise outside of this guideline unless they have received INSETA authorisation in writing.
- The employer will be responsible to refund INSETA in full for all associated learnership payments made and not used for the purposes allocated.
- INSETA will not be responsible to pay any learners whom the host employer companies have sourced without INSETA authorisation.
- Invoice to include:
  - Full name “TO WHOM” the invoice is issued i.e. INSETA
  - Full INSETA POSTAL address: P.O. Box 32035, Braamfontein, 2017
  - VAT Number: INSETA N/A
  - REGISTRATION Number: 13/INSETA/1/04/11
  - Invoice number – ensure there is no duplication to any previously issued invoice sent to INSETA
  - LGA number as provided by INSETA for the Learnership in question
  - Invoice date must be current date i.e., not pre- or post-dated
  - Number of learners funded.
  - Total amount

- Proof of banking details

**The following documents must be submitted on request after commencement of the learnership:**

**At six months:**

- Progress report per LGA number
- Proof of 6 months stipend payslips
- Proof of Work Readiness Programme implementation

**For the Work Readiness Programme, the following must be submitted:**

- Certificate of completion (minimum of 5 days and maximum of 10 days) for non-accredited programme
- Statement of Results for the accredited programme
- Attendance Registers

**At twelve months:**

- Closure report per LGA number at end of learnership contract
- Proof of remaining 6 months stipend payslips.
- Proof of payment to the training provider
- Confirmation of the date of Verification from the ETQA
- Statement of results/certificate for cross-sectorial learnership
- Proof of Regulatory Exam booking

On receipt of the above documents INSETA will validate and approved the documents and request an invoice for the last tranche payment

**For terminated learners:**

Termination report and proof of stipend to be submitted within 14 days from the confirmation date of termination

## **13. Roles and Responsibilities**

### **13.1 Employers**

The employer will be expected to:

- recruit and contract with unemployed youth according to the criteria set out in these guidelines.
- The employer will be expected to contract with training providers/SDP to deliver the training. The employer is required to manage the contracting and delivery of the training. Full payment to the provider or payment in line with INSETA tranches is not encouraged

as employers must ensure that they receive the service for which they are utilising INSETA funding.

- Inform INSETA immediately of any change in status that may impact the learnership (this includes pregnancy, termination, resignation and any other status that may adversely affect the financial commitment or duration of the programme).
- provide appropriate and responsible mentorship for the duration of the learnership
- provide the learner with a copy of the fully signed contract of the learnership at commencement of the learnership and payslips for the duration of the learnership
- pay the learner a minimum of the agreed stipend as prescribed by the INSETA Discretionary Grant Policy at the agreed monthly date, regardless of whether INSETA has disbursed allocated funding or not.
- provides holistic work experience for approved learners in accordance with the learnership programme.
- provide a training schedule, logbook and support the learner in completion and signing the same.
- No replacement of learners is permitted after 2 weeks of commencement of the learnership programme. Any training for replacement learners will be for the employer account and no additional funding will be approved by INSETA.
- Any additional training required for replacement learning must be negotiated and agreed with the contracted provider and must fall within the agreed period of the learnership.
- No deductions may be made from the stipend other than for legislative requirements such as UIF. Unauthorised deductions include but are not limited to, any study loans or insurance premium payments that learners are obliged to take up and pay to the employer by virtue of their learnership placement.
- Any allegation of impropriety in respect of the implementation of the learnership will be investigated and may lead to the suspension or withdrawal of learnership funding.
- Any allegation of non-exposure to work experience or abuse of learners through certain work functions (e.g., Prospecting) will be investigated and may lead to the withdrawal of learnership funding and reallocation of the learner(s) with other host employers.

## 13.2 TVET Colleges

TVET colleges are expected to:

- source employers to host learners.
- recruit unemployed youth according to the criteria set out in these guidelines.
- manage the contracting of learners with host employers.
- deliver training for the theoretical component.
- inform INSETA immediately of any change in status that may impact the learnership (this includes maternity, resignation and any other status that may adversely affect the financial commitment or duration of the programme).
- pay the learner a minimum of the agreed stipend as prescribed by the INSETA Discretionary Grant Policy at the agreed monthly date, regardless of whether INSETA has disbursed allocated funding or not provide a training schedule, logbook and support the learner in completion and signing the same.

- No replacement of learners is permitted after 14 calendar days of commencement of the learnership programme. Any training for replacement learners will be for the TVET college's account and no additional funding will be approved by INSETA.
- Any additional training required for replacement learning must fall within the agreed period of the learnership.
- No deductions may be made from the stipend other than for legislative requirements such as UIF. Unauthorised deductions include but are not limited to, any study loans or insurance premium payments that learners are obliged to take up and pay to the employer/college by virtue of their learnership placement.
- Any allegation of impropriety in respect of the implementation of the learnership will be investigated and may lead to the suspension or withdrawal of learnership funding.
- Any allegation of non-exposure to work experience or abuse of learners through certain work functions (e.g., Prospecting) will be investigated and may lead to the withdrawal of learnership funding and reallocation of the learner(s) with other host employers.

### **13.3 Learners**

Learners are subject to the terms and conditions of the contract of the Learnership entered into with the employer and the performance requirements of the learnership programme.

Learners are required to:

- abide by the company's HR policies and procedures.
- commit fully to the opportunity provided to gain the full learnership qualification.
- complete their logbooks and submit for confirmation and signature by their appointed mentor.

### **13.4 INSETA**

INSETA reserves the right to relocate learners to another willing employer where it is found upon investigation, that the learners are not deriving the maximum benefit intended from the learnership programme.

## **14. Dispute Resolution**

Should any dispute arise from any application made in terms of this guideline, the parties will attempt to resolve the dispute in good faith through senior-level negotiations. If the dispute is not resolved through negotiation or mediation within a reasonable time the matter may be escalated to INSETA board.

## **15. Review**

This guideline will be reviewed annually or as required.