

Understanding the Skills Development Levy (SDL): A Guide for Employees

DISCLAIMER:

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1. What Is the Skills Development Levy (SDL)?

The Skills Development Levy (SDL) is a government-required contribution paid by employers to support skills development and training in South Africa.

As an employee, you do not pay this levy directly. It is 100% an employer contribution.

The purpose of the levy is to:

- Improve employee training opportunities
- Encourage upskilling and development in the workplace
- Fund SETAs (Sector Education and Training Authorities)
- Support national skills development programmes

2. Who Pays SDL?

SDL is paid by the employer, not you.

Employers who pay annual salaries of more than R500,000 are required to contribute 1% of their total payroll to SARS for SDL.

This means:

- SDL does not reduce your salary
- SDL is not deducted like UIF or tax
- Your payslip may reflect SDL, but it is for record purposes only

3. What SDL Means for You as an Employee

Even though you don't pay the levy, SDL impacts you in positive ways:

a. More Access to Training

SDL funds workplace training, short courses, apprenticeships, and learnerships that you may benefit from.

b. More Opportunities for Qualifications

Employers can claim back a portion of the levy through SETA grants if they train staff — meaning more chances for you to gain recognised skills and certifications.

c. Better Career Growth

Because employers get incentives to invest in skills development, you may find more support for upskilling, which can lead to promotions and higher earning potential.

d. Potential Learnership Stipends

If you join a learnership or internship, SDL-funded programmes often support stipends or allowances through SETAs.

4. How the Levy Is Used

Your employer's SDL payments are collected by SARS and distributed to SETAs and the National Skills Fund. These funds support:

- Workplace Skills Plans (WSPs)
- Annual Training Reports (ATRs)
- Learnership programmes
- Apprenticeships
- Skills programmes and short courses
- Community and national skills initiatives

This funding ensures that South African workers gain relevant, updated skills for the job market.

5. How Employees Can Benefit Directly

Here's how you can make the most of SDL-funded opportunities:

a. Ask About Training Opportunities

Many companies offer internal courses or sponsor external training—ask your manager or HR what is available.

b. Participate in Learnerships or Skills Programmes

These programmes help you gain workplace experience and nationally recognised qualifications.

c. Ensure Your Skills Are Listed in the Workplace Skills Plan

Your employer submits a WSP every year. Ask to be included for training relevant to your position or career goals.

d. Request Support for Professional Development

SDL funds encourage employers to support your growth, make your development needs known.

6. What Employees Often Don't Know About SDL

- SDL is paid entirely by the employer, not the employee
- It helps employees indirectly through more training opportunities
- Without SDL, many learnerships and training programmes would not exist
- You do not need to apply for SDL or do anything to "claim" it
- Employers who train their staff can receive grants — meaning more incentive to develop you
- SDL is not the same as UIF, PAYE, or pension deductions

7. SDL and Your Payslip

Some employees see an SDL reference on their payslip. This is simply for transparency. It does not affect your take-home pay.

If SDL does appear, it is usually listed under:

- “Employer Contributions”
- “SDL 1%”
- “Skills Levy (Employer)”

This simply shows that your employer is compliant and supporting skills development.

8. Your Rights as an Employee

Thanks to SDL, you have the right to:

- Access training and skills development opportunities
- Apply for learnerships and workplace training programmes
- Request information about your company's skills plan
- Ask how you can be included in future training initiatives