

**MEDIA STATEMENT  
FOR IMMEDIATE RELEASE**

Wednesday, 17 June 2020

**VET LEVY COVID-19 EMPLOYER PAYMENT REPRIEVE**

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1. The COVID-19 pandemic continues to exert pressure on Namibian businesses operating in an already depressed and contracting economy. As a further response to the visible and adverse impact on the economic sector, the Namibia Training Authority (NTA), as an enterprise of Government under the auspices of the Ministry of Higher Education, Technology and Innovation, announces the following:
    - a. Subject to finalisation of the requisite statutory processes, registered employers will not be required to pay the Vocational Education and Training (VET) Levy for a period of two (2) months, namely: July and August 2020.
    - b. This payment break follows a recommendation in this regard by the NTA Board to the Minister of Higher Education, Technology and Innovation and the Minister of Finance, in accordance with provisions of the VET Act (No. 1 of 2008), which both Ministers acceded to, recently.
    - c. The reprieve will amount to a reduction of approximately N\$65 million in projected income from the collection of levies, for the 2020/21 financial year. This reduction will not impact the ongoing implementation of strategic transformation and expansion interventions in the VET sector adversely, nor will it affect the sustainability of the VET Levy programme.
    - d. The NTA and our line Ministry trust that this measure will reduce some of the pressure that continues to accumulate on Levy-paying employers and their already constrained cash flows.
    - e. However, employers must continue to submit payroll declarations for the two months. It is important to emphasise, furthermore, that this reprieve does not include the writing off of any outstanding penalties and interest. To prevent further accumulation thereof, employers are encouraged to settle such arrears.
  2. The NTA wishes to express its appreciation to those registered employers who submitted Employer Training Grant (ETG) claims for the 2019/20 financial year submission round, by the extended submission deadline, as announced on 27 April 2020. This initial COVID-19 intervention, to extend the deadline from 1 May 2020 to 5 June 2020 and relax evidence requirements to only include invoices and proof of payment, have had the desired impact.

A notable increase in claims, compared to the preceding submission round (2018/19), has been recorded. In further overcoming employer cash flow constraints, these claims are being processed and payment thereof has started in earnest.

3. Finally, the NTA wishes to recognise the proactive and coordinated contribution of its National Training Fund Council, Board of Directors and the Minister of Higher Education, Technology and Innovation, in spearheading these efforts to bring some relief to registered employers. These measures are testament to our organisation's commitment to finding real, stakeholder-focused solutions, in a time of great uncertainty for all.

SIGNED:

  
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Jerry Beukes  
Chief Executive Officer



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***About the Namibia Training Authority:***

*The Namibia Training Authority was established in line with the Vocational Education and Training Act, 2008 (No.1 of 2008). The NTA endeavours to ensure a sustainable skills delivery system under which quality vocational and technical skills are imparted to young Namibians through Vocational Education and Training programmes, which meet the current and emerging needs of industries in our nation's economy, today and into the future.*

***About the NTA's Vocational Education and Training (VET) Levy:***

*The imposition of the VET Levy is provided for under Section 35 of the VET Act of 2008, which requires a Levy to be paid by employers for the purpose of facilitating and encouraging VET programmes. All levies collected by the NTA are disbursed in line with the following allocations: (a) 35% for Key Priority Training Grants; (b) Up to 50% for Employer Training Grants; and (c) Up to 15% for the NTA's Administration Costs.*