

SKILLS DEVELOPMENT LEVY (SDL)



What is SDL?

SDL is a levy imposed to encourage learning and development in South Africa and is determined by an employer's salary bill.

The funds are to be used to develop and improve skills of employees.

Who must pay SDL?

SDL is due by employers who have been [registered](#). You can register once for all different tax types using the [client information system](#).

Top Tip: Where an employer expects that the total salaries will be more than R500 000 over the next 12 months, that employer becomes liable to pay SDL.

What steps must the employer take?

If an employer becomes liable, they need to [register for SDL](#).

The following employers are exempt from paying SDL—

- Any public service employer in the national or provincial sphere of Government. (These employers must budget for an amount equal to the levies due for training and education of their employees).
- Any national or provincial public entity, if 80% or more of its expenditure is paid directly or indirectly from funds voted by Parliament. (These employers must budget for an amount equal to the due for training and education of their employees).
- Any public benefit organisation (PBO), exempt from paying Income Tax in terms of Section 10(1) (cN) of the Income Tax Act No.58 of 1962, which only carries on certain welfare, humanitarian, health care, religion, belief or philosophy public benefit activities or only provides funds to a PBO and to whom a letter of exemption has been issued by the [Tax Exemption Unit \(TEU\)](#).
- Any municipality to which a certificate of exemption is issued by the Minister of Labour.
- Any employer whose total remuneration subject to SDL (leviable amount) paid/due to all its employees over the next 12 month period won't exceed R500 000. If this is the reason for exemption, these types of employers are not required to register to pay SDL.

How much do you need to pay?

1% of the total amount paid in salaries to employees (including overtime payments, leave pay, bonuses, commissions and lump sum payments).

The amounts deducted or withheld by the employer must be paid to SARS on a monthly basis, by completing the [Monthly Employer Declaration \(EMP201\)](#). The EMP201 is a payment declaration in which the employer declares the total payment together with the allocations for PAYE, SDL, UIF and/or [Employment Tax Incentive \(ETI\)](#).

A unique Payment reference number (PRN) will be pre-populated on the EMP201, and will be used to link the actual payment with the relevant EMP201 payment declaration.

How and when should it be paid?

It must be paid within seven days after the end of the month during which the amount was deducted. If the last day for payment falls on a public holiday or weekend, the payment must be made on the last business day before the public holiday or weekend.

The following [payment methods](#) are available:

- [eFiling](#)
- Electronic payments through the internet (EFT)
- At a branch of one of the relevant approved banking institutions.

What happens to the SDL Levy?

The levies are distributed via [SETA](#).

Need help?

- Call the SARS Contact Centre on 0800 00 SARS (7277)
- Visit your nearest [SARS Branch](#).
- You may also attend one of our [tax workshops](#) or visit your nearest [SARS mobile unit](#).

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