



Extension of the Learnership Tax Incentive (12H)

Alungile Mguli
Tax Trainee

On the 1st October 2001, the government introduced the Learnership Tax Incentive with the purpose of encouraging employers to partake in the training and development of the South African youth.

The Learnership Tax Incentive allows employers to claim a section 12H allowance in respect of all qualifying learnership agreements entered in a year, provided there is a formal learnership contract in place.

This incentive serves as an additional deduction on top of the normal remuneration deduction that employers are allowed to deduct.

Employers who qualify for Section 12H learnership allowance can claim an annual allowance of R40 000 and an additional R40 000 upon completion of the learners on NQF level 1 to 6. For learners on NQF level 6 to 10, employers are eligible to claim an annual allowance of R20 000 and a completion allowance of R20 000.

It is imperative to note that the allowance claimable by employers is dependent on the term of the learnership agreement, whether the learner has previously been part of a learnership program and if the learner has a disability.

The Learnership Tax Incentive has been extended by two years. The extension is effective from 1 April 2022 until 31 March 2024, and this will apply in respect of learnership agreements entered on or after that date.

Do you know if your organisation qualifies to claim this incentive? Contact SNG Grantthorn if you have experienced difficulties claiming the allowance or if you are not sure if you qualify.

