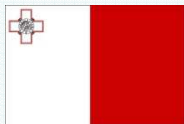


TRAINING AID FRAMEWORK

PROPOSED CHANGES IN ELIGIBILITY CRITERIA

13th May 2011



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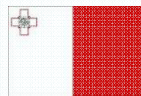
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Context

Eligibility criteria changes being made in the context of a major exercise to:

1. Simplify TAF for all actors through simplification of application documentation, easing of rules re quotations and trainers, maximum hours of training per day, among others
2. Reduce administrative burden on undertakings through elimination of unnecessary procedures and documentation especially at reimbursement stage



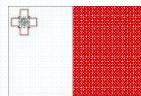
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Two-stage evaluation process

- At application stage, the Evaluation Committee will assess the application by applying criteria (a) to (g) and (k) as details of trainers and trainees will not be known.
- On completion of the training programme and when the claim for reimbursement is made, applicants will be requested to submit details of trainers and trainees. At this stage, the Evaluation Committee will assess the eligibility of trainers and trainees on criteria (h) to (j).



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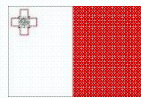


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Current eligibility criteria of trainee

- The current eligibility criterion of trainees (i) states that:

“The trainee needs to be employed with the applicant organization. In the case of part-time employees being trained, their primary employment must be with the applicant undertaking.



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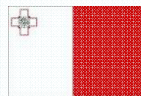
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Proposed Change

Change in eligibility conditions of trainee

Eligibility criterion (i) is proposed to read:

“The trainee needs to be employed with the applicant organisation”



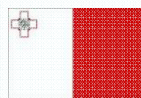
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Justification

- current criteria (i) was an improvement on the previous criteria however it still excluded part-time employees in their secondary employment from TAF
- training of employees irrespective of their employment status contributes to policy ambitions of upskilling national workforce



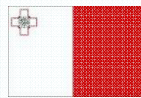
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Justification (contd)

- training always benefit employees as they improve their employability, knowledge and skills
- legislation already calls for pro-rata rights to part-time employees
- 22,680 employees as part-time secondary employment (NSO November 2010 - represents 44% of total part-time employees at the time)
- There is a demand by undertakings to train such persons



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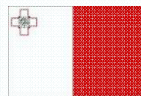


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Current maximum allowable grant per trainee per annum

Eligibility criterion (k) states that:

“Maximum Aid grant allowable in a year per trainee - the maximum public aid (EU and Malta) paid on behalf of an employee in any one year is capped at a maximum of €4,000 per trainee per annum. The only exception is in the case of employees pursuing a training programme leading to a qualification of MQF (EQF) level 5 or higher - in which case the entitlement for any one trainee will be €10,000 per year.”



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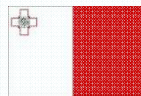


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Proposed Change

It is being proposed that criterion (k) is removed from the eligibility criteria because

- fear that larger companies would absorb all the grants did not materialise
- it imposes a capping on the grant in addition to:
 - (1) EC Reg 800/2008 which stipulates that eligible personnel wage costs cannot exceed the total of tuition, travel and consultancy costs
 - (2) the aid intensities established by the said regulation.



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Aid intensities

Classification of Undertakings and Relative Aid Intensity of the eligible costs		
Undertaking Size	Training	
	Specific	General
Large - No of employees exceeds 250	25%	60%
Medium - No of employees not exceeding 250 persons and Annual Turnover not exceeding €50m and / or Annual balance Sheet Total not exceeding €43m	35%	70%
Small - No of employees fewer than 50 persons and Annual Turnover and/or Annual balance sheet total not exceeding €10m	45%	80%
Micro - No of employees less than 10 persons and Annual Turnover and/or Annual balance sheet total not exceeding €2m	45%	80%



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THANK YOU

Felix Borg

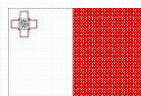
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