

Our Ref: (32) PSMB/20/8 Kulit 8

Date: 15 January 2026

EMPLOYER'S CIRCULAR NO. 01/2026

THE LEVY PAYMENT EXEMPTION FOR REGISTERED EMPLOYERS IN THE EDUCATION INDUSTRIES FROM JANUARY 2026 TO DECEMBER 2026

1. PURPOSE

- 1.1 This circular is issued to inform all Human Resource Development Corporation (HRD Corp) registered employers under **the Education industries** of a **twelve (12) month exemption from the statutory levy payment**.
- 1.2 The exemption is proposed to apply to human resource development (HRD) activities carried out within the Education industries, covering **levy contribution** period from **January 2026 to December 2026**.

2. BACKGROUND

- 2.1 During the **Opening Ceremony of the National Training Week (NTW) 2025 on 14 June 2025**, Yang Amat Berhormat Dato' Seri Anwar bin Ibrahim, the Prime Minister of Malaysia announced a one-year levy exemption for registered employers under the Education industries, effective **from January 2026 until December 2026**.
- 2.2 The initiative is in line with the MADANI Government's commitment to support the nation's human capital development agenda through strategic investment in education. Employers in the education industries, which includes preschools, private schools, skills training centres and private higher learning institutions, are liable to register and contribute levy to Pembangunan Sumber Manusia Berhad (PSMB). With the industries pivotal role in developing skilled and knowledgeable

talent, the exemption is purported to alleviate the financial burden and allow greater focus on improving educational delivery.

3. EMPLOYER ELIGIBILITY

- 3.1 All employers registered with HRD Corp **under the Education industries** are eligible for this exemption.

4. EFFECTIVE DATE

- 4.1. Only Employers classified under the Education Industries, as outlined in Paragraph 3 above, are exempted from paying the HRD levy for the levy month **January 2026 to December 2026**. Employers are required **to resume levy contributions beginning January 2027**, with the payment **due on or before 15 February 2027**.

5. LEVY ARREARS REPAYMENT

- 5.1. This exemption does not qualify for the levy arrears repayment. Employers with outstanding levy arrears are advised to continue paying the arrears without delay in order to avoid being penalised with further interest.

6. TRAINING GRANT APPLICATION

- 6.1. Despite the exemption from levy payments, eligible employers may continue to apply for training grants during the exemption period and utilise any remaining levy balance in their accounts. Employers are strongly encouraged to continue sending employees for training to maintain workforce competency and upskilling momentum throughout the exemption year.

7. CLOSING

7.1. For further clarification and assistance, kindly contact our Support team via support@hrdcorp.gov.my.

Thank you.

'Advancing Skills, Empowering Talent for a Future-Ready Malaysia'
'Malaysia MADANI'



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