

Y.E.S INITIATIVE IS FINALLY GAZETTED. HOW DOES IT WORK?

The Youth Employment Services (YES) amendments to the B-BBEE Codes were gazetted on Tuesday, 28 August 2018.

YES is a business-led partnership with government, labour, and civil society and aims to provide 1 million South Africans between 18 and 35 years with paid work experience by the year 2020. The amendments will have significant benefits to organisations that integrate youth employment into their workforce and B-BBEE strategies.

YES focusses on three areas where employment creation efforts are likely to have the greatest benefits and most immediate impacts, including:

1. The creation of new job opportunities in existing organisations specifically for the youth;
2. Promoting the capacity of SMME's;
3. Creating SMME's through collaboration with industry leaders

HOW TO IMPLEMENT THE YES INITIATIVE IN AN ORGANISATION

Basic principles of YES:

- Youth employees of 18 to 35 years old, and must meet the definition of black according to the codes of good practice
- Targets must be additions to the current headcount
- If the ME is unable to create sufficient number of new jobs, they may sponsor new jobs that can be placed in EME's or QSE's. and that will count towards their target.
- The fix term contract must be for at least 12 months
- They must be regulated by the Basic Conditions of employment
- Clear Communication to YES employees if contract will be renewed or not
- Must provide quality work experience within the ME
- Informal training on YES employees will have a 50% recognition spend

QSE's and EME's

Qualification for the Registration for the YES initiatives

Either achieve 40% sub-minimums over 2 of the priority elements and Ownership being one of them, OR 40% average across the 2 of the priority elements, Ownership being one.

And

Score full points under the indicator 2.1.1. 2. this means that you need to donate the full amount of

2.5% of your leviable amount to bursaries to individuals at higher education, as well as maintain or improve your B-BBEE status level from prior year

Targets

Whichever one of the following three options below is the greater, that will be your target:

Scenario Company x is as follows:

- Turnover R42m
- NPAT R2m,
- # of Employees 60.

- 1) ME has 60 employees - and per the table provided the target will be 4 employees

Conclusion is that your target will be 4 YES employees

To enhance your BEE Recognition

- Achieve YES target and absorb 2.5% - Move 1 BEE Recognition up on your scorecard.
 - You had 4 YES Employees and you absorbed 1 then you move up a level
- Achieve 1.5 times the YES target and absorb 5% - Move 1 BEE recognition level up and get 3 extra points
 - You achieved 6 YES employees and you absorbed 1
- Achieve double the YES target and absorb 5% - Move up 2 levels on your BEE scorecard.
 - Achieved 8 Yes Employees and you absorbed 1 employee

EME / QSE HEADCOUNT TARGETS

Headcount QSE/EME	YES Youth Target	Headcount QSE/EME	YES Youth Target
1 to 19	1	400 to 419	21
20 to 39	2	420 to 439	22
40 to 59	3	440 to 459	23
60 to 79	4	460 to 479	24
80 to 99	5	480 to 499	25
100 to 119	6	500 to 519	26
120 to 139	7	520 to 539	27
140 to 159	8	540 to 559	28
160 to 179	9	560 to 579	29
180 to 199	10	580 to 599	30
200 to 219	11	600 to 619	31
220 to 239	12	620 to 639	32
240 to 259	13	640 to 659	33
260 to 279	14	660 to 679	34
280 to 299	15	680 to 699	35
300 to 319	16	700 to 719	36

320	to	339	17	720	to	739	37
340	to	359	18	740	to	759	38
360	to	379	19	760	to	779	39
380	to	399	20	780	to	799	40

GENERIC ENTITIES

Qualification for the Registration for the YES initiatives

Either achieve 40% of all sub-minimums across all the priority elements OR 50% average across the 3 priority elements

And

Score full points under the indicator 2.1.1. 2. this means that you need to donate the full amount of 2.5% of your leviable amount to bursaries to individuals at higher education, as well as maintain or improve your B-BBEE status level from prior year

Targets

Whichever one of the following three options below is the greater, that will be your target:

Scenario Company x is as follows:

- Turnover R142m
- NPAT R4m
- # of Employees 400.

- 2) 1.5% Preceding years employee Headcount of the measured entity

Example 1.5% of 400 employees = 6 employees

- 3) 1.5% of the ME average NPAT from SA operations in the immediately preceding 3 years converted into headcount as follows: 1.5% of Ave NPAT/R55000

Example: 2016 NPAT R5,000,000
2017 NPAT R3,000,000
The average being R4,000,000
2018 NPAT R4,000,000

$R4,000,000 \times 1.5\% = R60,000$

$R60,000 / 55,000 = 1.09$ employees (2 is your target)

- 4) ME turnover is R142 million- and per the table provided the target will be 8 employees

Conclusion is that your target will be 8 YES employees

To enhance your BEE Recognition

- Achieve YES target and absorb 2.5% - Move 1 BEE Recognition up on your scorecard.

- You had 8 YES Employees and you absorbed 1 then you move up a level
- Achieve 1.5 times the YES target and absorb 5% - Move 1 BEE recognition level up and get 3 extra points
 - You achieved 12 YES employees and you absorbed 1
- Achieve double the YES target and absorb 5% - Move up 2 levels on your BEE scorecard.
 - Achieved 16 Yes Employees and you absorbed 1 employee

GENERIC ENTITY TARGETS

TOTAL REVENUE BAND (RM)	MINIMUM BLACK YOUTH JOBS
50 - 75	6
75 - 99	7
100 - 149	8
150 - 199	9
200 - 249	10
250 - 299	11
300 - 349	12
350 - 399	13
400 - 449	14
450 - 500 +	15

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