



SERR YES PROGRAMME (YOUTH EMPLOYMENT SERVICE)



*We cannot always build the future for our youth,
but we can build our youth for the future.*

- Franklin D Roosevelt

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A BRIEF OVERVIEW OF YOUTH UNEMPLOYMENT

Youth unemployment as a global phenomenon has been escalating over the past few years. According to the International Labour Organization (ILO), there were approximately 71 million unemployed youth aged 15–24 globally in 2017, with many of them facing long-term unemployment.

South Africa is no exception to this trend with a national unemployment rate of 27,2%. We have seen our own youth (**classified as between the ages 15 and 34*) being largely affected by the economic slowdown and low levels of employment in the labour market.

Alarming statistics released earlier this year by Statistics South Africa revealed the following:

- Out of a total of 20 million young individuals, 7,2 million are currently unemployed;

- More than 60% of the unemployed youth reside in townships and rural areas;
- Three million South Africans aged between 15 and 24 are neither employed nor pursuing higher education.

*(*Stats SA, Q1 2018)*

The youth unemployment rate is further compounded by the **more than 600 000 young individuals who complete school each year** and face the prospects of unemployment.

SA's youth are the most vulnerable in an economy where skills are required, with their future relying heavily on job readiness and ability to enter the job market.



INTRODUCTION TO THE YOUTH EMPLOYMENT SERVICE (YES) INITIATIVE

Much of the debate in South Africa today focuses on ways to facilitate job creation, to narrow income differentials and to redress inequalities in accessing wealth.

On 28 August 2018, the Department of Trade and Industry (DTI) gazetted the **Youth Employment Service (YES)** inclusion in the Broad-Based Black Economic Empowerment (B-BBEE) Codes of Good Practice. With the implementation of the YES initiative, broad-based transformation has entered a new phase of diversity, requirements, dimensions and facets.

It is no longer limited to traditional considerations such as ownership and management but includes a strong emphasis on job creation.

The YES programme encourages corporates to contribute to empowerment in areas of national priority – addressing youth unemployment and upskilling the youth through job placement.

Businesses are rewarded for YES participation with enhanced B-BBEE status levels.

The YES programme focuses on the employability of the youth for economic prosperity. Three major factors come into play for SA business owners – the employment of youth, B-BBEE requirements and training and development.



OBJECTIVES OF YES

The YES initiative signifies huge progress towards facilitating SA's youth to gain work experience through employment placement.

- ***YES makes provision for black unemployed youth to be employed and trained*** by means of learning and development programmes in the form of non-accredited and accredited training courses;
- ***YES undertakes to create between 300 000 and half a million jobs and job opportunities over the next 3 years*** for young black South Africans from urban, peri-urban and rural areas;
- ***YES promotes a culture of continuous innovation*** and believes in the power of disruption to change the status quo.



YES undertakes ***to create between 300 000 and half a million jobs and job opportunities*** over the next 3 years

YES AND BUSINESS OWNER CHALLENGES

Businesses are in general uncertain about the following:

- Where to find suitable YES training programmes;
- Integrating the YES programme into an existing training and transformation strategy;
- Maximising B-BBEE scorecard points for priority elements by incorporating YES;
- Possible tax incentives for incorporating YES; (**Youth Employment Tax Incentives – ETI*)
- Creating new one-year positions for unemployed youths in the workplace;
- Employment requirements for black unemployed youths as per YES requirements;
- 'Absorbing' YES employees into their existing organisational structures;
- Identifying qualified SMMEs or EMEs as YES host employers;
- Time constraints and lack of training facilities for YES-specific training and development initiatives;
- Administration and management of YES training programmes;
- Developing YES mentorship programmes;
- Labour legislation compliance requirements for the new youth employees.

SERR Synergy recognises the impact that the YES implementation has on business owners and their business operations. With this in mind, we have designed a unique **SERR YES (Youth Employment Service) programme** with tailor-made solutions to suit different business needs so as to address the full spectrum of B-BBEE and YES compliance requirements.

***YES is a national drive to
ignite the potential
of our youth.***

THE UNIQUE SERR YES PROGRAMME

A first of its kind in South Africa, the **SERR YES programme** adopts a holistic approach by offering clients–

- tailor-made training programmes to facilitate work readiness;
- training programmes to address the areas of Employability Skills; Practical Communication; Workplace Synergy; Workplace Systems and Procedures; Functional Mathematics; Business Literacy; IT Fundamentals and a special Toolkit for Employment;
- a total of 21 days' classroom training;
- certification of training outcomes;
- assistance in developing employees' CVs;
- contracts of employment and other legal compliance documents to facilitate youth employment;
- a full labour compliance service for one year in respect of youth employees;
- a one-year free subscription to the employers' organisation to assist with any CCMA and labour disputes;
- assistance with registration on YES Programme digital platform;
- paying of registration fees on your behalf;
- training on the employer's premises if more than 5 trainees attend.





*Empowering today's youth
for future greatness*

BENEFITS OF THE SERR YES PROGRAMME

- Qualifying youth employee candidate sourcing;
- Cost-effective employment and training;
- YES programme registration service;
- Minimum work disruption;
- Full labour compliance and workplace integration service;
- Unemployment Insurance Fund (UIF) and Workmen's Compensation registration;
- Qualifying for tax incentives;
- Claim 50% of YES training expenses as Skills Development expenditure on B-BBEE scorecard;
- Enhance up to two levels on the B-BBEE Scorecard;
- Fast and efficient YES implementation;
- Workplace placement sourcing;
- Mentoring and guidance.



SERR YES TRAINING PROGRAMMES

The aim of our **SERR YES training programmes** is to provide the youth with the necessary employability skills to ensure that they can become employable citizens in the current SA economy. Through our **SERR YES training programme** we develop and empower the youth to apply skills through meaningful employment. Our modular training programmes will also bridge the huge gap which currently exists between being a student and being able to survive in the corporate world.

Through our **SERR YES training programme** we **develop and empower the youth** to apply skills through meaningful employment.

Our **SERR YES training programme** includes the following training modules:

SERR YES TRAINING MODULES

- | | |
|----|----------------------------------|
| 1. | Employability Skills |
| 2. | Practical Communication |
| 3. | Workplace Synergy |
| 4. | Workplace Systems and Procedures |
| 5. | Functional Mathematics |
| 6. | Business Literacy |
| 7. | IT Fundamentals |
| 8. | Toolkit for Employment |



QUALIFYING CRITERIA FOR YES REGISTRATION

In order for businesses to qualify for YES, there are certain requirements for each of the **business categories** which they need to meet.

- From a B-BBEE Scorecard point of view, YES will benefit scorecard entities only;
- Black youth aged 18-35 to be employed;
- At least 40% of the points are required for each priority element of the B-BBEE Scorecard, or 50% average across all priority elements (**priority elements are Ownership, Skills Development and Enterprise and Supplier Development*);

- An entity must maintain or improve its B-BBEE status level;
- Fixed-term of temporary employment for a period of 12 months;
- Headcount targets to be employed and percentages to be absorbed as per the prescribed formula (*please refer to the tables on page 11 and 12*).



YES HEADCOUNT TARGETS

New **YES positions must be created in addition to existing employment positions** and entities may not replace existing positions with these new positions.

• **TARGET FOR GENERIC ENTERPRISES**

The target for **Generic enterprises** (**entities with annual turnover above R50 million which may differ for certain industries*)

is determined as **the greater of:**

- 1,5% of the YES Measured Entity's average Net Profit After Tax (NPAT) from SA operations in the immediately preceding three years, converted to headcount number by dividing that NPAT number by *R55 000:

1,5% of NPAT
***R55 000**

=

**YES
YOUTH
TARGET**

OR

- 1,5% of headcount in the preceding year;

OR

- A target as determined in Table 1 on the right.

• **TABLE 1 – GENERIC ENTITY TURNOVER-BASED TARGETS FOR YES**

TURNOVER BAND (RAND MILLIONS)	MINIMUM YOUTH JOBS
50-75	6
76-99	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

*(*Please note: We recommend that a monthly salary be set at the envisaged national minimum wage (NMW) level of R3 500 per month)*

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• **TARGET FOR QSEs AND EMEs**

The target for **Qualifying Small Enterprises** (QSEs - **entities with annual turnover below R50 million*) and **Exempted Micro Enterprises** (EMEs - **entities with annual turnover below R10 million*) is determined by the number of employees employed by the enterprise as per the headcount band in **Table 2**. Please note that the following headcount targets may differ for some industries.



• **TABLE 2 – QSE AND EME HEADCOUNT TARGET FOR YES**

QSE / EME HEADCOUNT	YES YOUTH TARGET	QSE / EME HEADCOUNT	YES YOUTH TARGET	QSE / EME HEADCOUNT	YES YOUTH TARGET	QSE / EME HEADCOUNT	YES YOUTH TARGET
1 to 19	1	200 – 219	11	400 – 419	21	600 – 619	31
20-39	2	220 – 239	12	420 – 439	22	620 – 639	32
40-59	3	240 – 259	13	440 – 459	23	640 – 659	33
60-79	4	260 – 279	14	460 – 479	24	660 – 679	34
80-99	5	280 – 299	15	480 – 499	25	680 – 699	35
100-119	6	300 – 319	16	500 – 519	26	700 – 719	36
120-139	7	320 – 339	17	520 – 539	27	720 – 739	37
140-159	8	340 – 359	18	540 – 559	28	740 – 759	38
160-179	9	360 – 379	19	560 – 579	29	760 – 779	39
180-199	10	380 – 399	20	580 – 599	30	780 – 799	40

B-BBEE VALUE

Participating in the **SERR YES programme** is extremely attractive for enterprises to meet their YES targets. Should entities meet all the qualifying criteria and pre-conditions, which include conducting **YES-specific learning programmes**, YES can assist entities to enhance their overall B-BBEE status with up to 2 levels.

"...YES can assist entities to enhance their overall B-BBEE status with up to 2 levels."

RECOGNITION TIER	YES TARGET ACHIEVEMENT	RECOGNITION LEVEL
TIER 1	100% YES target and 2,5% absorption	Move 1 recognition level up on the scorecard
TIER 2	1,5 times YES target and 5% absorption	Move 1 recognition level up on the scorecard PLUS 3 bonus points to the overall scorecard
TIER 3	Double YES target and 5% absorption	Move 2 recognition levels up on the scorecard

SKILLS DEVELOPMENT

- Companies will be able to claim **up to 50%** as informal **Skills Development expenditure** (informal, industry-led, non-accredited training) for YES training expenses on the Skills Development element of the B-BBEE Scorecard.

REGISTRATION FEES

Annual YES participation registration fee payable to the YES management platform is as follow:

- R20 000 per company with turnover above R200 million per annum;
- R15 000 per company with turnover between R100 and R199 million per annum;
- R10 000 per company with turnover between R50 and R99 million per annum;
- R2 500 per SMME with a turnover of between R10 million to R50 million per annum;
- Free registration for SMMEs with turnover below R10 million;
- R5 000 per YES employee.



YES really needs you and me! YES is a viable model for inclusive economic transformation as it will increase employability and ultimately lead to positive social changes in South Africa and building a future that works for all.



CONTACT US

For more information on our range of business legal compliance services, please contact us.

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