



Youth Employment Service

B-BBEE Incentive Programme

Youth Employment Service (YES) Initiative

- Business-led partnership with government, labour and civil society
- aimed at providing one million black South Africans between the ages of 18 and 35 with jobs by 2020
- Launched on the 27th of March 2018
- Provide some relief to;
 - multinational corporations and
 - other organisations without black ownership,
- Will also provide a labour force for small, medium and micro-sized enterprises that cannot afford it and boost job creation for the youth of South Africa.
- It focuses on three areas:
 - the creation of new job opportunities in existing organisations for youth;
 - promoting the capacity of small, medium and micro-sized enterprises; and
 - creating these enterprises through collaboration with industry leaders.

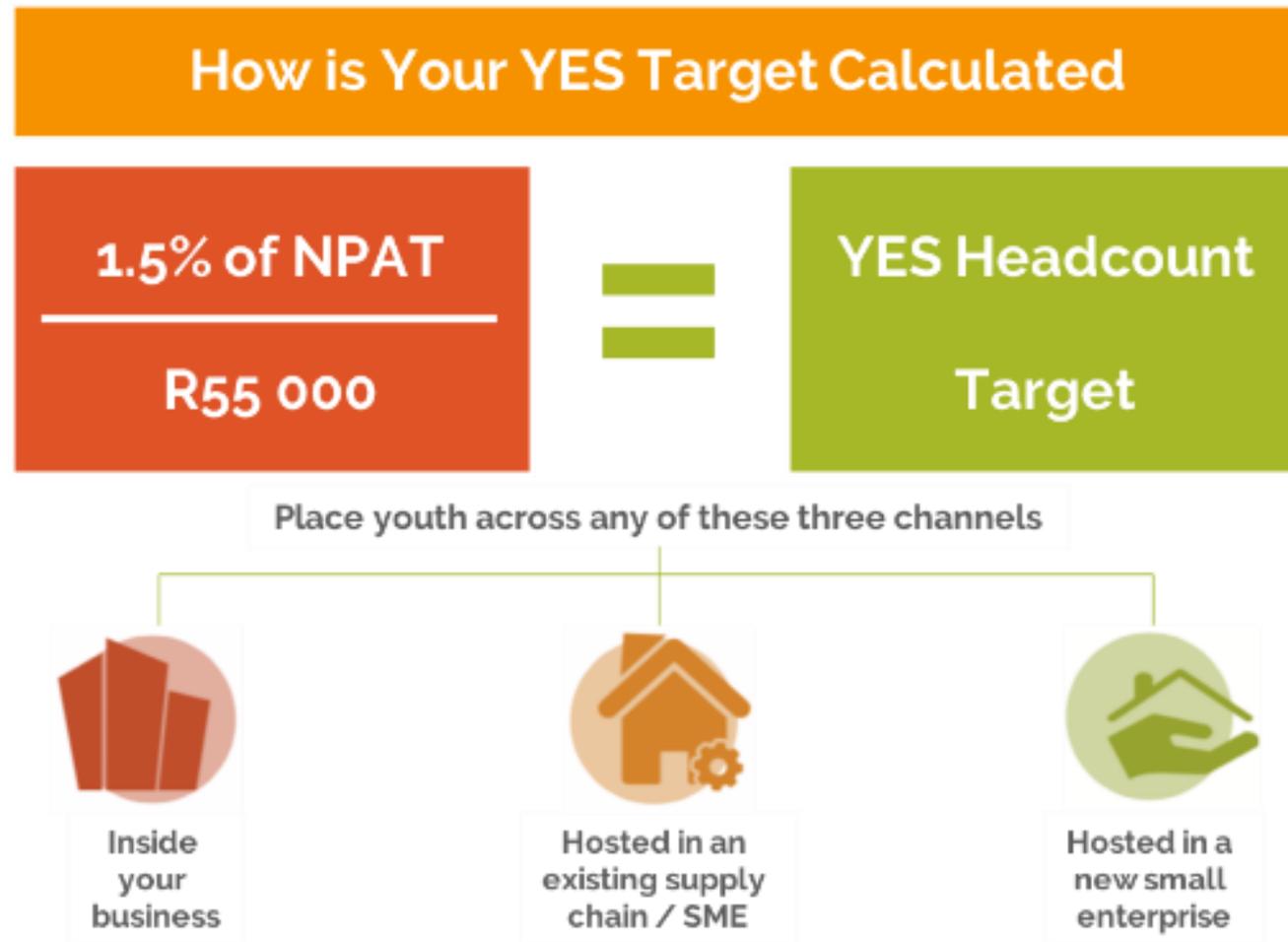
YES Qualification

- To be a YES employer;
 - QSE - maintain or improve its BEE level and achieve 40% sub-minimum for at least two priority elements.
 - Generic - achieve 40% sub-minimum in all three priority elements or an average of 50% across all three elements, It is required to register on the YES for Youth website, because proof of registration will be part of its verification process for B-BBEE.
- Youth taken on as YES employees must be placed in new positions and cannot be engaged to cover for attrition however the DTI has opened the door for motivations.

YES exclusions

- Salaries may only be recognised for employees on learnerships, apprenticeships or an internship and not YES.
- Another important point to remember is that graduates cannot be used for YES.
- The YES initiative is about helping people who can't find employment because they have not received tertiary education due to personal circumstances.

YES: Calculation



YES: B-BBEE Incentive



Achieve YES Target

1 x B-BBEE

level up



Achieve 1.5 times YES Target

1 x B-BBEE level up

+ 3 points



Double YES Target

2 x B-BBEE

levels up

YES: Process



Register on the website



Pay registration fee



Select youth pathways



Recruit the lucky youth



B-BBEE verification data

- **Register on our website**
- **Pay**
 - Payment will open the YES youth placement menu & options.
 - Registration fees range depending on your entity's turnover
 - You will get an official membership certificate.
- **Select youth pathways**
 - Youth headcount can be placed in any combination:
 - Inside your firm - On your payroll,
 - Outside your firm - On other payrolls,
 - In supply chain entity payroll or in other businesses.
 - Each placement attracts a YES per head once off fee of R5000, R7000 or R9000
 - this covers a phone, cutting edge content and important surveys and material for youth and employers.
- **Recruit & Interview.**
 - Upload youth relevant details onto the YES upload site + start date.
 - Place youth & upload data:
 - Submit youth & supervisor data from survey apps on the phone.
 - Youth will get push notifications to fill out progress and learning surveys every few weeks.
 - For supervisor, at 3 months intervals.
 - This data is used to build the quality CV and reference letter.

YES: FAQs

- YES measured entities must ensure that they maintain or improve their B-BBEE status level and performance against the targets under the overall scorecard obtained in the year before participating in the YES initiative.
 - What happens if a company is unable to maintain or improve its B-BBEE level?
 - Companies unable to maintain or improve on the B-BBEE status they had in the year before participating in YES can approach the DTI B-BBEE Policy Unit with justifiable evidence for further
- YES measured entities engaging eligible employees in new positions are subject to South African legislation governing basic conditions of employment and working conditions.
 - What are “new positions” and “new jobs?”
 - The intention behind YES is to create new jobs. Due to the current South African economic climate, practicalities will be considered. While no measurement of this will take place, YES measured entities are expected to create 12-month quality workplace experiences for black youth.

YES: FAQs

- YES measured entities are required to sign fixed term or temporary employment contracts with all eligible employees filling new positions within their entity. These new positions must have a 12-month fulltime work experience paid for by the Entity
 - **What does full-time employment mean?**
 - Fulltime employment refers to employment that has no defined end.
- The work place experience for eligible employees needs to cover a full 12-month period.
 - **Can Youth be employed on a part-time contract?**
 - Youth must be employed on a 12-month, fixed term employment contract that complies with the labour legislation, including the LRA and the BCEA. A measured entity may apply the hours of work as per the sectoral determination the entity is regulated by.

YES: FAQs

- The work place experience for eligible employees needs to cover a full 12-month period.
 - Is a company obliged to use the employment contract template provided by YES?
 - An entity is not obliged to use the YES employment contract template.
 - However, the employment contract must be a 12-month, fixed term employment contract that complies with the labour legislation, including the LRA and the BCEA.

YES: FAQs

- YES measured entities must commit to ensuring a quality work experience is provided to the eligible employee insofar as the entity is able to provide it.
 - The 12-month quality workplace experience will be monitored by the YES non-profit company to ensure a consistent national standard.
 - Placements of black youth can be for exempted micro enterprises (EMEs) and qualifying small enterprises (QSEs) including EME and QSE non-profit organisations. However, entities may place eligible employees in entities irrespective of size to ensure a quality work experience is achieved.
- What is meant by a “quality work experience”?
 - Please refer to the YES quality work experience brochure for more information, or contact us to request it.

YES: FAQs

- Sectors that are governed by specific employment conditions legislation should be taken into account, but ultimately the eligible employee needs to fulfil a 12-month workplace experience.
 - **Must the salary for each Youth employed be R3,500 per month?**
 - YES recommends that Youth be paid a monthly salary of R3,500.
 - Employers are required to comply with the Minimum Wage Act, 2018, the relevant labour legislation (including the LRA and BCEA), as well as any sectoral determination the entity is regulated by.

YES: FAQs

- The Work Place Experience for Eligible Employees needs to cover a full 12-month period.
 - In the event where the eligible employee does not complete a full 12-month period due to unforeseen circumstances, the YES measured entity needs to ensure that at least eight (8) full months have been completed in order to be eligible for B-BBEE recognition.
 - Furthermore, if any eligible employees fall out of the YES initiative due to any circumstance, the YES measured entity will have one (1) month to replace them in order to be eligible for B-BBEE recognition.
- **What happens if the Company enters into a contract of employment with Youth within the financial year being verified, but the period of employment of the Youth at time of verification is less than 8 months?**
 - There will be overlapping periods regarding the uptake of Black Youth at different points in time, as well as all YES measured entities having different financial year ends. In order to be eligible for B-BBEE Recognition, YES Youth need to fulfil eight (8) months of work.
 - Flexibility will be applied for the first year of uptake in order to drive participation. Entities will be able to receive B-BBEE recognition before the minimum eight (8) month have been completed. It is important to note that the uptake must take place in the financial year end which is used for B-BBEE verification purposes.
 - Furthermore, entities still need to follow through, or else risk the potential of having B-BBEE recognition withdrawn.

YES: FAQs

- The Work Place Experience for Eligible Employees needs to cover a full 12-month period.
- In the event where the eligible employee does not complete a full 12-month period due to unforeseen circumstances, the YES measured entity needs to ensure that at least eight (8) full months have been completed in order to be eligible for B-BBEE recognition.
- Furthermore, if any eligible employees fall out of the YES initiative due to any circumstance, the YES measured entity will have one (1) month to replace them in order to be eligible for B-BBEE recognition.
 - **What would qualify as unforeseen circumstances?**
 - Unforeseen circumstances may include resignation, death, misconduct by the black Youth, etc.

YES: FAQs

- Due to the uptake and difference in measurement periods for YES measured entities, the target for absorption will not be verified for B-BBEE recognition during the first year of implementation of the YES initiative.
- Instead, the target for this will be verified when absorption takes place in the following measurement period. Absorption is based on the YES entity's target
 - Can Youth be absorbed prior to the completion of the 12-month employment term?
 - No. Absorption can only take place after the 12-month period.

YES: FAQs

- Absorption can only take place after the 12-month completion of the work place experience and the target is based on the YES Targets for YES Measured Entities. If absorption is identified at the time of B-BBEE Verification, B-BBEE Recognition will be awarded.
- Absorption is defined in Schedule 1 of the Amended Codes of Good Practice and the same principles are applicable.
 - If Youth are being sponsored and placed at an SMME, which entity is required to absorb the Youth in order to qualify for B-BBEE recognition? The sponsoring company, or the hosting SMME?
 - Absorption is based on principles embedded within the Amended Codes of Good Practice. Absorption can occur within the YES measured entity, or any other entity. The responsibility rests on the YES measured entity to provide information that proves that absorption has taken place according to the prescribed targets set out in the Gazette.

YES: FAQs

- Absorption can only take place after the 12-month completion of the work place experience and the target is based on the YES Targets for YES Measured Entities. If absorption is identified at the time of B-BBEE Verification, B-BBEE Recognition will be awarded.
- Absorption is defined in Schedule 1 of the Amended Codes of Good Practice and the same principles are applicable.
 - What is the consequence for B-BBEE recognition if neither the sponsoring company nor the SMME absorbs the Youth?
 - Absorption is not required for year one of participation. After year one, absorption can take place in any entity. It is not limited to a sponsored host company – youth must simply be offered a permanent or full time contract with no pre-determined time frame.

YES: FAQs

- The 12-month workplace experience is not a learnership, internship or apprenticeship programme.
 - If Youth are employed as part of a learnership, internship or apprenticeship, can the same Youth qualify as part of a company's YES target headcount?
 - No. The Practice Note is explicit regarding this. Initiatives for YES are separate from learnerships, internships and apprenticeships.
- B-BBEE recognition will only be applicable for the creation of jobs under the YES initiative for eligible employees who are unemployed at the time of registering with the YES initiative.
 - Must Youth remain unemployed from the time of registration with YES until time of placement?
 - Black Youth need to be unemployed at the time of registration by the black Youth. This is a self declaration by the black Youth.

YES: FAQs

- If, for operational reasons, a company's headcount decreases in the year of participation in YES, how will this affect its target?
- The measured entity's headcount provided at the time that it registers to participate in the YES initiative, being the headcount as at the last financial year-end, is used to determine target for B-BBEE recognition. A change in the headcount during the period of participation in the YES Initiative will not affect the target for B-BBEE recognition.
- If a company is participating for the second year, must the previous year or new year's headcount be used?
- The measured entity must use the headcount as at the last financial year-end.

YES: B-BBEE Claims

- B-BBEE evidence includes;
- - Registration certificate;
 - IDs of placed youth;
 - Payslips; and
 - 12 months contracts.

YES: What to consider...

- It is critical that members have the technical expertise and knowledge they need to implement YES.
- You will need to establish how to manage YES from an industrial relations perspective. This is because they will be inviting people with no prior exposure or common work ethic into their organisations.
- Importantly, members cannot merely consider their own risks and expectations when implementing the YES programme. It is necessary to consider both employer and employee expectations.
 - Employees may expect to be absorbed by the organisation at the end of the programme whereas
 - the organisation may be intent on nurturing its YES participants to become self-sustaining entities.
 - Not everyone is built to run their own business, so the support and aftercare of these individuals is going to be critical.
- Members will need to increase their budgets in line with their increased payroll to remain on top of their skills development targets.
 - This may have been partially alleviated by the increased recognition of informal training from 15% to 50% of the training spend, however, the fact remains that the target of formal training is 6% of total payroll.
- Members then need to consider the cost of the YES initiative increasing in line with minimum wage increases.
- Members need to determine what they are going to do for the YES candidates once their 12-month fixed-term contracts come to an end should they wish to benefit from the one to two level escalation.
 - Will they be absorbed or will those who form small, medium and micro-sized enterprises require additional support;
 - would that form part of a new enterprise development strategy; and what would the impact be on budgets?