



## YES Q&A

B-BBEE GAZETTE AND PRACTICE NOTE QUESTIONS AND ANSWERS 23 JANUARY 2019  
FINALISED IN CONSULTATION WITH THE dti

QUESTION	ANSWER	GG / PN	STATEMENT 000 / PRACTICE NOTE
1. Is YES NPC the only entity that a company can register with for B-BBEE recognition for job creation?	Yes. In terms of the Practice Note for B-BBEE recognition, this is explicit.	GG 1.1	The Youth Employment Service (YES) is to provide for, and institute, broad-based black economic empowerment (B-BBEE) recognition for YES measured entities and qualification criteria applicable to the B-BBEE recognition for job creation.
		PN 1.1	YES measured entities will need to register with the YES non-profit company (registration number: 2017/267641/08) in order to participate within the YES Initiative for monitoring and evaluation purposes of the initiative.
		PN 1.2	B-BBEE recognition will only be awarded to YES measured entities that have registered with the YES non-profit company.
2. 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 participation.	GG 2.5	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.
3. 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.	GG 6.1	YES measured entities engaging eligible employees in new positions are subject to South African legislation governing basic conditions of employment and working conditions.
4. What does full-time employment mean?	Fulltime employment refers to employment that has no defined end.	GG 6.2	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
5. 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.	PN 1.7	The work place experience for eligible employees needs to cover a full 12-month period.
6. 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.		
7. 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.	GG 6.3	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.
		PN 1.10	The 12-month quality workplace experience will be monitored by the YES non-profit company to ensure a consistent national standard.
		PN 1.12	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.
8. 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.	PN 1.10	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.



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9. 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.	PN 1.7	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.
10. What would qualify as unforeseen circumstances?	Unforeseen circumstances may include resignation, death, misconduct by the black Youth, etc.		
11. 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.	PN 1.6	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
12. 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.	PN 1.8	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.
13. 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.		
14. 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.	PN 1.9	The 12-month workplace experience is not a learnership, internship or apprenticeship programme.
15. Can Youth employed as part of a company's participation in YES also participate in a learnership, internship or apprenticeship?			
16. If Youth are employed as part of a learnership, internship or apprenticeship, can a company convert the Youth to count as a YES Youth?			
17. 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.	PN 1.14	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.
18. What happens if Youth A finds employment one day after registering with YES, but still wants the option to be placed in a YES job?	In a scenario such as this, a discussion will take place between the black Youth, YES measured entity and YES NPO to determine the way forward for the Youth.		
19. What evidence is required to confirm that Youth are unemployed?	This is a self-declaration by the black Youth.		
20. Is YES a verification agency?	No.		
21. What evidence must a measured entity gather for verification?	The YES Practice Note introduces the types of documentation that will be required at the time of B-BBEE verification (not limited to). Please see the YES verification checklist, or contact us to request it.		
22. 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.		
23. 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.		