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To: Deputy Directors-General, Chief Directors, Directors (Head Office and district offices),
Deputy Directors (Head Office and district offices), Circuit Managers and Principals

Short summary: *Presidential Youth Employment Initiative – Financial guideline.*

Subject: Presidential Youth Employment Initiative (PYEI): Phase III – Financial guideline

1. This communication should be read in conjunction with Circular 0012/2022 on the PYEI Phase III project, dated 18 March 2022.
2. **Data Management System**
The Department of Basic Education is continuing its commitment to the developed Data Management System (DMS) in collaboration with Bhelela Technologies. The DMS is cloud-based and will serve as the main communication channel between schools, districts, and the Head Office for all financial transacting.
3. Schools are once again required to process the nominations of successful candidates (education assistants and general school assistants) on the PYEI DMS. This will be the main data source for funding of the PYEI allocated to schools.
4. Please note the points below for your attention when capturing data on the DMS:
 - i) Contract start and end dates of assistants must be in the period of the project as stated in **paragraph 5**.
 - ii) Termination dates must be captured as the date on which the assistant's contract was terminated or he/she resigned from duty. **(See paragraph 15)**
 - iii) The identity document (ID)/passport numbers must be captured correctly on the DMS as this is a unique identification of the assistants.
 - iv) The payroll must be captured and approved **a week** before the transfer payment date as stipulated in **paragraph 11**.
 - v) The district officials should notify the finance team of any assistants who are newly appointed in the middle of the month.

5. Schools are reminded that all contracts for Phase II of the PYEI ended on 31 March 2022. A new contract must be offered to the assistants for Phase III that will start on 01 April 2022 and end on 30 September 2022.

6. **Stipends payable**

The stipend to be paid for all education assistants and general school assistants for Phase III of the PYEI will be **R4 081,44** per month (aligned with the legislated minimum wage threshold, as prescribed), starting from 01 April 2022 and ending on 30 September 2022. In addition to this, the project will also provide for the one percent employer contribution, which will form part of the transfer payment to your school.

7. Each transfer payment per month for an assistant to your school will be as follows:

Basic stipend	R 4 081,44
+ Employer contribution towards UIF	R <u>40,81</u>
= Gross stipend transferred	<u>R 4 122,25</u> per month

8. **Unemployment Insurance Fund (UIF)**

Schools are required by law to register with the UIF and contribute towards the fund for the assistants appointed by the school. Schools may follow the following link if assistance is required on how to register with the UIF, if they have not done so already: http://www.labour.gov.za/uif_how_toregister-with-the-uif.

9. The Unemployment Insurance Act, 2001 (Act 63 of 2001) and the Unemployment Insurance Contributions Act, 2002 (Act 4 of 2002) apply to all schools (for the purpose of this project regarded as the employer) and the assistants. All schools **MUST** pay unemployment insurance contributions of 2% of the value of each assistant's pay per month. The school and the assistant each contribute 1%. The school (as employer) is responsible to pay the 1% they deducted from the assistants, together with the 1% as provided through the project funding for the employer portion, to the UIF, before the 7th of every month.

10. Below is the breakdown of the assistants' remuneration to demonstrate the UIF requirements. Each employee will therefore earn a take-home income of **R4 040,63** made up of the following:

Basic stipend	R 4 081,44	
Employer contribution towards UIF	R <u>40,81</u>	
Gross stipend	R 4 122,25	(transfer payment to your school)
2% deduction for UIF	(R81,62)	} payable to the UIF monthly
1% employer contribution	(R40,81)	
1% employee contribution	(R40,81)	
Nett stipend	<u>R 4 040,63</u>	

11. **Transfer payments for stipends to your school**

Funds for stipends will be transferred to your school monthly, via a transfer payment, and will be available in the school's bank account prior to the last day of each calendar month. The proposed transfer payment schedule is as follows:

Transfer payment	Western Cape Education Department (WCED) payment date	Action date for school's bank account
Stipend for April 2022	22 April 2022	28 April 2022
Stipend for May 2022	20 May 2022	25 May 2022
Stipend for June 2022	24 June 2022	29 June 2022
Stipend for July 2022	22 July 2022	27 July 2022
Stipend for August 2022	26 August 2022	31 August 2022
Stipend for September 2022	23 September 2022	28 September 2022

12. **Transfer payments for other purposes relating to the project to your school**

Additional transfer payments may also be processed to your school for other purposes during the project, such as data cards to be procured for the assistants.

13. The assistants will receive R30,00 for three months only (April, May and June 2022), to connect to training and complete assessments after school hours. This allowance can be paid to the assistants together with their monthly stipend.

14. Kindly ensure that all assistants acknowledge receipt of any special once-off allowances. Such control sheets should clearly state the purpose of the special once-off allowance, the details of each assistant (name, surname, ID/ passport number) and their signature as proof of acknowledging receipt. The principal should sign-off on the control sheet as final authorisation that the allocation was made to the assistants.

15. **Pro rata stipend payments**

It is important to note that any assistant who starts or resigns during a month only qualifies for a pro-rate stipend payment. The project office will assess appointment and resignation data as captured on the DMS monthly. It is critical for schools to capture appointment and resignation dates accurately and timeously. Stipend payments processes for schools are strictly informed by the appointment and resignation date as captured by schools on the DMS.

16. All pro rata payments are paid for calendar days and not school days. As an example: an assistant who resigned from service on the Friday, 22 July 2022, will receive a pro rata payment in July for 22 calendar days (01 July – 22 July 2022). An assistant with a contract starting date on Thursday, 18 August 2022, will receive a pro rata payment in August for 14 calendar days (18 August – 31 August 2022).

17. All pro rata payments will be effected on the first available pay run released to your school (see point 11 above for the scheduled pay dates). Schools are responsible to apply these pro rata payments when paying the assistants.

18. Pro rata payrates to be applied are reflected below:

Transfer payments from the WCED to schools are made up as follows:

Monthly	Daily	Description
R4 081,44	R134,18	Assistant stipend transferred to the school
<u>R 40,81</u>	<u>R 1,34</u>	Employer UIF contribution transferred to the school
<u>R4 122,25</u>	<u>R135,52</u>	Total stipend transferred to the school

Stipend payments to assistants are broken down as follows:

Monthly	Daily	Description
R4040,63	R132,84	Stipend payable to the assistant (Nett of UIF contribution)
R 40,81	R 1,34	Employee UIF contribution (deducted from assistant stipend)
<u>R 40,81</u>	<u>R 1,34</u>	Employer UIF contribution as transferred to the school
<u>R4 122,25</u>	<u>R135,52</u>	Total stipend transferred to the school

19. The school should ensure to do the necessary pro rata deductions, as explained above, for any assistant absenteeism recorded at the school (e.g., leave without pay), aligned to the assistant service conditions as set out in the employment contract. Such absenteeism should be captured on the daily attendance register on the DMS Attendance Module. Please note that absenteeism deductions are not implemented against stipend transfer payment to schools by the WCED, as this information is only available in the school domain.

20. Any over-payments or funds retained by the school should be paid back to the WCED within seven days after each month-end. Kindly email (example as discussed in paragraph 19 above) the proof of payment to the project office.

Banking details for such repayments are as follows:

Account name: Western Cape Education Department

Account no.: 1452 045 089

Universal code: 19 87 65 (Nedbank South Africa)

Branch name: Corporate Cape

Type of account: Current

Reference to use: "school EMIS no." PYEI 3 (Example: 100000400 PYEI 3)

21. Schools are again reminded to keep all the necessary financial records for auditing purposes.

22. Further financial communication may be issued to all schools as needed, providing relevant information and guidance throughout the duration of the project.

23. Attached to this circular you will find the *Memorandum of Understanding for Phase III (Annexure A)*, which must be entered into between the WCED and each school and signed by the school; it must be returned to the district office by **14 April 2022** as to allow any funding for the PYEI being approved for release to any school.

GETEKEN: B WALTERS

HEAD: EDUCATION

DATE: 2022-04-07