

File no.: 3/3/1/1/3
Reference: 20230123-532

Circular:0004/2023

Expiry date: 30 September 2023

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 IV Financial guideline

1. This circular should be read in conjunction with Circular 0017/2022, *PYEI Phase III -Financial guideline*, dated 07 April 2022.

2. Stipends payable

The stipend to be paid for all education assistants and general school assistants for Phase IV of the PYEI will be **R4 081,44** per month (aligned with the legislated minimum wage threshold, as prescribed), starting on 01 February 2023 and ending on 30 September 2023. 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.

3. 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	R 4 122,25 per month

4. 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/ufif/how-to-register-with-the-ufif>.

5. 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.
6. 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 40,81
Gross stipend R 4 122,25 (transfer payment to your school)

2% deduction for UIF (R81,62)
 1% **employer** contribution (R40,81)
 1% **employee** contribution (R40,81)
Nett stipend R 4 040,63

} Payable to the UIF monthly

7. 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 February 2023	17 February 2023	22 February 2023
Stipend for March 2023	24 March 2023	29 March 2023
Stipend for April 2023	21 April 2023	26 April 2023
Stipend for May 2023	26 May 2023	31 May 2023
Stipend for June 2023	23 June 2023	28 June 2023
Stipend for July 2023	21 July 2023	26 July 2023
Stipend for August 2023	25 August 2023	30 August 2023
Stipend for September 2023	22 September 2023	27 September 2023

***Please note that the dates from April to September 2023 may change depending on the schedule from Provincial Treasury.**

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

The assistants will receive R30,00 for eight months (from February until September 2023), to connect to training and complete assessments after school hours. This allowance must be paid to the assistants together with their monthly stipend.

9. 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.
10. Additional transfer payments, after they are allocated to assistants, may also be processed to your school for other purposes during the project. Any such payments will be communicated to schools prior to such payment being processed.

11. **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 Data Management System (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.

12. All pro rata payments are paid for calendar days and not school days. As an example: an assistant who resigned from service during a month, will receive a pro rata payment for calendar days worked the month of resignation. An assistant with a contract starting date on Friday, 18 August 2023, will receive a pro rata payment in August for 14 calendar days (18 August to 31 August 2023). All pro rata payments will be affected on the first available pay run released to your school (see paragraph 7 above for the scheduled pay dates). Schools are responsible to apply these pro rata payments when paying the assistants.
13. **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
R40,81	R 1,34	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
R4 040,63	R132,84	Stipend payable to the assistant (Nett of UIF contribution)
R40,81	R1,34	Employee UIF contribution (deducted from assistant stipend)
R40,81	R1,34	Employer UIF contribution as transferred to the school
R4 122,25	R135,52	Total transfer transferred to the school

The school should ensure to do the necessary pro rata deductions, as explained in paragraph 12, 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. 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 13 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 IV (Example: 100000400 PYEI IV)

14. Schools are again reminded to keep all the necessary financial records for auditing purposes.
15. Further financial communication may be issued to all schools as needed, providing relevant information and guidance throughout the duration of the project.
16. A *Memorandum of Understanding for Phase IV (Annexure A)* was emailed to the district coordinators on 29 November 2022, stipulating the agreement entered into between the WCED and each school which must be signed by the school and returned to the district office by 31 January 2023 to allow any funding for the PYEI Phase IV being approved for release to any school

17. We would once again extend our sincere appreciation for your hard work and support since the start of the PYEI project and extend our continued commitment to your school to ensure the success of Phase IV at your school.

SIGNED: B WALTERS

HEAD: EDUCATION

DATE: 2023-02-09