



PRESIDENTIAL  
EMPLOYMENT  
STIMULUS



basic education

Department:  
Basic Education  
REPUBLIC OF SOUTH AFRICA

# **GUIDELINE ON CALCULATION OF PRO-RATA PAYMENT**

## **FOR THE YOUTH PLACED IN THE**

## **PRESIDENTIAL YOUTH EMPLOYMENT INTERVENTION (PYEI) IN THE BASIC EDUCATION SECTOR**

**DECEMBER 2021**

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*The document is drafted to provide Provincial Education Departments (PEDs) with a guide on the calculation of pro-rata payment of stipends for youth appointed as part of Phase II of the Presidential Youth Employment Intervention (PYEI) in the Basic Education Sector. The guideline should be read in conjunction with the Implementation Framework and the Basic Conditions of Employment Act as it informs the Conditions of Employment for youth placed in PYEI.*

## 1. Introduction

As part of Phase II of the Presidential Youth Employment Intervention (PYEI), the Basic Education Sector is implementing the Basic Education Employment Initiative (BEEI). This forms an integral part of the Presidential Employment Stimulus (PES). It seeks to confront the devastating economic challenges caused by the COVID-19 pandemic, as part of government's broader economic recovery agenda. It is a large scale public employment intervention targeting to create 287 424 employment opportunities for unemployed youth, who are 18 – 35 years old. The intervention thus seeks to address the high levels of youth unemployment in South Africa. The youth will be offered five months' contract, commencing on 1 November 2021 to 31 March 2022. They should receive a monthly stipend that is equivalent to the minimum wage per person. This is currently worked out at R3 817. 44 per month in the 2021/22 Financial Year. Schools should deduct one per cent from the monthly stipend, which is payable to the Department of Employment and Labour, as an employee contribution to the Unemployment Insurance Fund (UIF).

## 2. Purpose

The purpose of the guideline on pro-rata calculation for the payments of youth placed in the PYEI in the Basic Education Sector is to ensure that there are common standards and consistency in the implementation of pro-rata payments across the sector. The provinces that pay youth through school transfers will be required to provide further support to schools on how to implement pro-rata payments.

### 3. Assumptions

The youth placed in the initiative, may terminate their services due to various reasons including but not limited to: finding new job, resignation, death, abscond, dismissal, misconduct. The termination may be before the last day of the month. The schools will need guidance and support in implementing the pro-rata payments to ensure consistency across all nine provinces.

### 4. Guiding Principle

- 4.1 **Transparency, openness, accessibility** – Funds allocated for payments of stipends are utilized for the intended purpose, reported in an open, accessible and transparent system.
- 4.2 **Accountability** – Funds allocated are accounted for accordingly by all levels and reports provided in accordance with the Public Finance Management Act (PFMA).
- 4.3 **Proactiveness** in management of risk linked to handling government money.
- 4.4 **Auditability** – the funds allocated and reports thereof should be auditable.
- 4.5 **Common Standards and Consistency** - ensure uniformity in application of the laws, rules and regulations pertinent to the various public funds transactions.
- 4.6 **Compliance** – with the PFMA and BCEA prescripts and other relevant National Treasury and DPSA regulations.

### 5. Role players

The PYEI is implemented through collaborative efforts across various spheres in the Sector, from the national, provincial, district, circuit and school. The role players in the Implementation of the PYEI in the Basic Education Sector are outlined below:

- 5.1 Department of Basic Education;
- 5.2 Provincial Education Departments;
- 5.3 Education Districts;
- 5.4 Circuit Managers;
- 5.5 Schools; and
- 5.6 Education Assistants (EAs) and General School Assistants (GSAs).

## 6. Definition

- (a) The direct translation of the term “pro rata” is “in proportion” or “proportional rate”.
- (b) Pro-rata pay is offered to part-time employees based on the number of hours they work. It is proportional to the amount they would have earned if they worked full-time.
- (c) Part-time employees are also salaried employees, but the amount they receive is proportional to the hours they work. In other words, they receive a pro rata salary.
- (d) Pro-rata salaries/stipends are paid to part-time/contract employees should they work less hours than a full-time employee.
- (e) Before you begin to calculate pro rata salary, you need to know the exact amount a part-time/contract employee would earn if they worked full-time.
- (f) You also need to know how many actual hours the part-time/contract employee will be working.
- (g) The Basic Conditions of Employment, the Conditions of Employment for youth placed in PYEI and Public Finance Management Act (PFMA) should be the guiding principle for the pro-rata calculation.

## 7. Pro-rata calculation

$$\begin{aligned} \text{daily rate} &= \frac{\text{monthly stipend amount} \times 12 \text{ months}}{365} \\ &= \frac{R\ 3\ 855.61 \times 12}{365} \\ &= R126.76 \end{aligned}$$

Where:

- monthly stipend amount is inclusive of employee and employer UIF contribution
- 365 is the number of days in a year

## 8. When is pro-rata not applicable

Full payment of stipend must be paid where the employee did not work for the full month in the following instances:

- (a) The first date of the month fell on a weekend or public holiday but the employee was in service on the first working day of the month
- (b) The employee exited the service of the department on the last working day of the month while the last date of the month fell on a weekend or public holiday
- (c) The employee was on sick leave (entitlement of 1 day per month) or on Family Responsibility Leave (not exceeding 3 days for the duration of the 5-month contract)
- (d) School closure periods are not to be regarded as leave for youth placed in PYEI.

## 9. Applicability of pro-rata payment

Pro-rata payment should be considered in terms of the following:

- (a) Youth who **exit the services of the department** (eg. resign, abscond, death, dismissal, promoted) **prior to the end of a month** during which they are under contract – e.g.

Assumption of duty 01 November 2021, resignation date 22 November 2021

– (R 126.76 X 22 days worked = R 2788.72 – 2% UIF employee and employer contribution = **R 2732.95** due to employee & **R 55.77** due to DoL).

- (a) Youth assuming duty in the **middle of the month** (this should not be implemented if delays were caused by administration process by the employer (school, circuit, district, or head office)).
- (b) Leave taken by youth, **not qualifying** for that leave (e.g. study leave, maternity leave, sick leave, family responsibility) which is regarded as Leave Without Pay.

## 10. Management and implementation of the leave and terminations

The provinces are requested to monitor the implementation of this guideline. The Schools are requested to ensure strictly measures are in place to report and capture leave and service terminations to prevent occurrences of overpayment. The Data Management System should be used for the purpose of capturing leave and terminations. The Districts must be notified timeously of the terminations, to ensure that correct amounts are paid or deducted from stipends.

## 11. Period of applicability of the guideline

This guideline shall remain applicable until the end of the PYEI Phase II, which is 31 March 2022. Provinces and Schools are required to adhere to its provisions when calculating pro-rata payment of stipends for EAs and GSAs.