

**gestalt**



# **CAREER ACTIVATION PROGRAM FOR PEOPLE WITH DISABILITIES**

**Shaping B-BBEE into your  
Competitive Advantage & Brand Edge**

**through**

**Customised, Outcome-Based  
BEE Transformation & Compliance**



## 1 INTRODUCTION

Gestalt has developed a uniquely structured career programme for black people with disabilities that can guide them to meaningful employment opportunities at supervisory level in companies while earning a basic income or stipend as learners.

Companies that participate in these programmes can earn disproportionate benefit in terms of their BEE Compliance while maximising the favourable tax rebates and incentives.

## 2 THE CHALLENGE

One of the most marginalised groups in our population has always been people with disabilities in our poorest black communities. In their Community Survey 2016, Statistics South Africa reports a prevalence of disabilities or some form of impairment to affect between 2.4 and 3.4 % of economically active youth.

The national disability prevalence was found to be 7.7%. Not all of the people included in this wider definition fall within the definition in the Amended B-BBEE Codes, as it includes people with visual impairment that only require the use of glasses.

Across various statistics, the general sense is that more than 2% of the black economically active population is classified as persons with disabilities. This ties in with the 2% target for employment of such people.

In spite of the incentives available to employers, black people and especially African people with disabilities still have a steep challenge. The 2017 CEE Report records that less than 0.6% of jobs in the unskilled, semiskilled and technically skilled categories are filled by African people with disabilities. Only about a third of this is made up of women.

## 3 THE B-BBEE CODES

The B-BBEE Codes have always provided extra incentives for companies that employ and invest in the development of black people with disabilities. This is further enhanced with the Amended B-BBEE Codes and companies can earn 6 points from this, which can mean an improvement of at least one BEE level. By just allocating 5% of the targeted training budget to the training of black people with disabilities, the points can be increased by 50%. Yet, many companies miss out on these extreme gain factors.

The Amended B-BBEE Codes of October 2013 stipulate that 4 points could be scored on Disabled Training. The company needs to place "Black People", which are employed, on programmes. The requirement is measured in Rand Value. A company could get 4 points if 0.3% of their leviable amount is spent on "Disabled Black People".

Another advantage of this programme is that the client will qualify to receive the Absorption points when Learners continue their programme. There are also additional incentives for employment and development of black women and youth in particular.

So it would appear that there is a proverbial perfect overlap of the most intense incentives and benefit available to business in terms of cost and their BEE Scorecard on the one side and the need of the most desperate members of our communities. The Gestalt Career Activation Program for People with Disabilities fits precisely in this overlap.

## 4 THE CAREER ACTIVATION PROGRAM

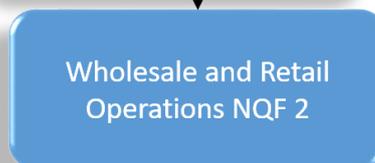
The Gestalt Career Activation Program for People with Disabilities offers our learners a Career Path, not just training. The objective is to retain a learner on the programmes until such time as they can find gainful employment. A learner can leave the programme at any stage or continue until the attainment of the NQF4 supervisory or junior management level qualification.

The programme is designed to have a soft start. All prospective learners start with a foundation year on a Business Administration Learnership at NQF Level 2. This allows people to get into a productive mode of learning while working towards a real qualification. Learners that pass through that process successfully, even learners that had some degree of difficulty, are then registered on a Wholesale and Retail Operations Learnership also at NQF 2. This is designed to broaden their understanding of business and to open them to the opportunities in the wholesale and retail sectors.

**Year 1: Foundation**

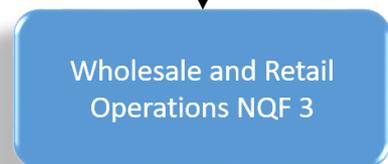


**Year 2: Increased exposure**

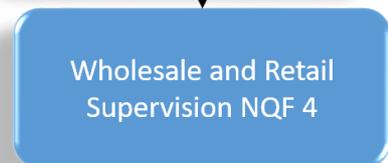
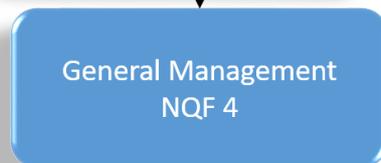


**Career decision point**

**Year 3: Specialisation**



**Year 4: Supervisory**



After the first year, the Learner is offered one of two Career Paths. The Learner, with support of the staff will decide if they would prefer to advance in a general administrative management direction or continue in the Wholesale and retail operations.

The general administrative management continues the learning with a Business Administration Learnership at NQF3 and a General Management Learnership at NQF4. These Learners would now be able to seek employment in a typical office or administrative environment.

Learners that select the Wholesale and Retail direction continue their learning journey up to achieving a Wholesale & Retail Supervision Learnership at NQF Level 4. This should open one of the many opportunities in this industry.

## 5 THE PROCESS

Gestalt partnered with a College with their main facilities on the border of the Soshanguve Township and right in the middle of the Rosslyn industrial area. We are working together to expand their reach and facilities in Mamelodi in Tswane and Tembisa in Midrand. Our learners use the same facility throughout their journey. The entire process from recruitment, registration, training, placing the trainees out to a “host” employer and absorption post qualification is included.

### 5.1 Action

Gestalt actively markets the programme to business. Gestalt requires a minimum of a 14-day notice period to implement one or more learnerships. This notice period will include the liaison with the client to complete all the paperwork.

### 5.2 Recruitment

Once a sponsor has been secured, the process starts. Learners are recruited in various townships in the Pretoria region. The applicants are informed of the minimum requirements of Development. These includes a short assessment on the learner’s abilities, the classification as “a disabled person” as published in the B-BBEE Codes, the willingness to meet with a registered Medical Practitioner (RMP) to specify whether and why he/she is disabled, the RMP will examine the applicant and give a written report on the Disability, etc.

### 5.3 Registration

Once the applicant has been declared “Disabled” by the RMP, the College collates all the relevant documentation of the learner i.e. ID, EEA1, Banking Details, etc. The learner is placed on the register for people ready to be developed and trained.

### 5.4 Allocation

According to the B-BBEE Codes, the disabled people on training should be on the payroll of the sponsoring company. Once Gestalt finds a sponsor for learnership/s, the engagement is finalised. A 12 month fixed term contract for the duration of the learnership, is signed between the applicant, the Client and the College. The applicant is now ready to commence with the journey. They are now regarded as Learners.

### 5.5 Theoretical Training

The Learner is placed in the class and trained on the theory section of the SAQA NQF Level 2 Business Administration Learner ship: Qualifications ID 58206 – 120 Credits. The Learner is trained for 80 days and these days are concluded in 4 months.

### 5.6 Practical work and Work Experience

Once the Learner has completed the Theory of the learnership, he/she is placed out to a “Host” employer. The learner is placed in a work environment where he/she is doing work according to what they learned in the Theory section of the learnership. During this period, the learner needs to submit certain material to the tutor, according to the SAQA specifications. The learner works for 8 months where after the learnership is concluded.

### 5.7 Certification

All the material of the Learner is moderated by a registered Moderator. The Learner is notified of their result. If the Learner passes, the College submits the applicable information to the applicable SETA. The SETA prepares the certificate and issues it to the Learner. The pass rate of the College is approximately 96%.

## 6 COSTING

### 6.1 Direct Cost

The cost to place a Learner on a Learnership programme is typically about R45 000 excluding VAT. The cost includes all the services, such as recruitment and administration, but it excludes the stipends that must be paid to the learner. The invoice is payable upfront before the applicant is allocated to the class.

### 6.2 Stipend

The Learner is paid a stipend (salary) of at least R2 100 per month. This is important as these Learners are often destitute with no income. The sponsor can increase the stipend should they choose to do so. The income that the learner receives is critical to their ability to sustain themselves on the programme. The Learner is placed on the client payroll for 12 months (the period of the learnership). The client is furnished with the Learner's details including bank account information for the stipend payments to be made directly to the Learner.

### 6.3 Tax Rebates

According to the relevant legislation (Taxation Laws Amendment Act, as Amended and Gazetted on Government Gazette 40562, 17 January 2017) this learnership would qualify for tax rebates on a deemed cost of R120 000. This would translate into a total estimated tax rebate of R33 600 per learner, if the tax rate is 28%. Half of this would be claimable upon registration with SARS, on the first SARS tax return submission following the commencement of the programme. The balance is claimable on the next SARS tax return submission, at the conclusion of the programme and if the learner passed. Expenses on Skills development and salaries are normal business expenses and therefore pre-tax, which adds to the cost reduction.

### 6.4 Youth Grants

The Learner will qualify as Youth (35 years and younger) as Gestalt will ensure this is the case, if this is the client's requirement. Once registered with SARS, it enables the deduction of the Youth Subsidy of R1000 per learner, per month from the monthly PAYE.

### 6.5 SETA Grants and funding

Mandatory, Discretionary and Pivotal Grants could be claimed from the relevant SETA. As all of these programmes are properly registered with the applicable SETA, companies may apply for grant funding.

### 6.6 Illustrative costing

The illustrative costing per learner is set out below:

#### Expenses:

1 x Disabled Learnership:	R45 000
1 x Disabled Stipends (12 months):	R25 200
<b>Total</b>	<b>R70 200</b>

#### Money back to the client:

Disabled Tax Rebate @28% Tax:	R33 600
Youth Grant (12 months):	R12 000
Company Tax on actual expense	R16 296
<b>Total Tax benefit:</b>	<b>R61 896</b>

**Actual Cost** **R8 303**

Based on all of the variables set out above, it can be concluded that a carefully managed programme may effectively result in a surplus.

## 7 ABOUT US

Gestalt is a business strategy consultancy launched in 1998. Our mission is to successfully address the needs of South Africa's rapidly changing business environment by anticipating and identifying areas critical for sustained profit growth.

The cornerstone of Gestalt's strength in the market is broad-based black economic empowerment (B-BBEE) transformation and the resultant re-positioning of organisations that conduct business in South Africa.

Gestalt's structured models have a proven track record: They have shown themselves to be an effective contributor to successful partnership formation for both multinational and local businesses. Our models not only identify compatible partners, but help to bed down relationships that unlock maximum potential from South Africa's dynamic domestic market.

Our business tools are designed to help businesses unravel the complexities of B-BBEE charters and government regulations. Gestalt's offering is far more than consultancy services. The vital aspects of implementation is another of our specialist areas, using effective business transformation models to improve business competitiveness and compliance while growing shareholder value.

These models take a logical and comprehensive approach to the task of designing, developing, supporting and implementing best practice transformation policies. As a result, our clients are able to shape B-BBEE into their competitive advantage and brand edge, as a business imperative.

## 8 CONTACT INFORMATION

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