



# GO for GOLD

Education to Employment

## ADDENDUM A: BBBEE Benefits to Companies

BBBEE requirements and verification differ for each company. Below is a summary of how Go for Gold partner companies have successfully connected to Go for Gold for BBBEE verified requirements prior. This in no way guarantees verification and each company must check their own BBBEE requirements and verification process. Go for Gold will assist where possible.

## Skills Development

Go for Gold Phase specific	Category	Weighting Points	Compliance Target	Go for Gold Notes		
<b>2.1.1 Skills Development Expenditure on any programme specified in the Learning Programme Matrix for black people as a percentage of the Leviable Amount</b>						
<u>Go for Gold Phases:</u> Educational Development Programme: Phase 1 Workplace learning internship: Phase 2 Higher Education: Phase 3 (CAT A-G)		C	BEP	C	BEP	Expenditure on bursaries given to Go for Gold students at school level and University level as well as company's internal training strategies utilised on Phase 2 students. Each company verification and need differs.
Phase 1, 2 or 3	2.1.1.1 Skills Development Expenditure on Black people as percentage of the Leviable Amount	4	7	3% (year 5)	3% (year 5)	
<p><i>This category operates in expenditure only. The target is 3% of your leviable amount of payroll. Each company SDL will be a different amount as it is calculated as 3% of the company's taxable earning of their payroll. (emp201 form). This expenditure can be spent on black people: employees and non-employees. (Black as per Empowerment Act 2003.) Training must be specified on the programme matrix. Go for Gold as a schooling programme can be claimed under Category A – with 50% spend on scholar bursaries. Furthermore, there is a 50% black female component to spend in category A-D. Training that is not specified falls under Category F &amp; G is limited to 35% of the targeted spend. Category E, however, is unlimited.</i></p> <p><i>Lastly: companies need to be aware that are a priority element companies must achieve a minimum of 40% of the total Weighting points or they will be discounted a level.</i></p>						

Registration Number: 2002/31311/08  
 NPO Registration Number: 035-611-NPO  
 Postal Address: P O Box 18526, Wynberg, 7827

Cape Town:  
 Office: Ottery Youth Care Centre, Plantation Road, Ottery, 7800  
 Phone (Office) 021 703 0395 Fax (Office) 086 685 7316

Johannesburg:  
 Office: SAFCEC, 12 Skeen Boulevard, Bedfordview, 2007  
 Phone: (Office) 011 450 0156 Mobile: +274 897 8335

<b>2.1.2 The proportion of Skills Development Expenditure on Black People by the Measured Entity using the Adjustment Recognition for Gender expended on the following categories of Black People:</b>						
		<b>Weighting Points</b>		<b>Compliance Target</b>		
		C	BEP	C	BEP	
Phase 1, 2 or 3	2.1.2.1 African People	2	2	% of EAP	% of EAP	Any spend on specifically African Go for Gold students –whether they be scholars, in Phase 2 learnerships or tertiary bursary holders.
<i>Companies who do not have a national footprint or conduct the majority of their operations in one province may make use of the provincial EAP. Male and Female African EAP will be added- and the adjustment for recognition of spend on black females will be taken into account to show your target.</i>						
Phase 1 Phase 3	2.1.2.4 Bursaries or Scholarships for Black People	2	4	15%	15	Spend on Go for Gold scholars and/or bursary students.
<i>Spend on bursaries and scholarships for any person of colour employees or non-employees. Category A states that scholarships for school going children does not exceed 50% of the targeted bursary spend. ARG included to 50%.</i>						
<b>2.1.3 Learnership, Apprenticeships, Internships and Professional Registration</b>						
		<b>Weighting Points</b>		<b>Compliance Target</b>		
		C	BEP	C	BEP	
Phase 1, 2, 3	2.1.3.1 Number of Black People participating in Category A, B, C or D learning programme as per the Learning Programme Matrix, as a percentage of the total number of Employees	3	4	2.5%	2.5%	The number of students you support with Go for Gold in Phase 1-3 (Phase 2 student will need to be placed on learnerships)
<i>Number of people for any person of colour, employees for non-employees who are part of any formalized learning programme as a percentage of the total employees in the organisation. Note the points for candidates registered with professional bodies will only apply to Go for Gold candidates who are also qualified employees.</i>						
<b>2.1.4 Mentorship</b>						
Phase 2,4	2.1.4.1 Implementation of an Approved and Verified Mentorship Programme (as per CSC300)	3		YES		Companies place Phase 2 students and newly qualified students on a verified mentorship programmes.

<b>2.1.5 Bonus points</b>				
Phase 1,2,3	2.1.5.1 : Percentage of Black People Absorbed by the Measured Entity at the end of the Category A, B, C, D learning programme	1	100%	Companies who provide long term contracts to students after studies, thereby absorbing student can claim bonus points.
<p><i>A company needs to be strategic on how they pay the learners who were on the learnership and how they place after competition of studies. Student stipends while on learnership can be claimed towards expenses.</i></p> <p><i>The Bonus Points for Mentorship and Professional Registration will only apply to qualified Go for Gold candidates as they become employees.</i></p>				

## **Socio Economic Development**

<b>Criteria</b>	<b>Weighting Points</b>	<b>Compliance Target</b>	<b>Go for Gold Notes</b>
2.4.1 Annual value of all Qualifying Socio-Economic contributions by the Measured Entity as a percentage of the Target.	4	1,25% of NPAT	The full value of all SED contributions is recognised as our beneficiaries are 100% black as per the codes. (Minimum is 75%) however one cannot double count between skills development and socio-economic development, but the amount can be allocated accordingly at year end if need be.
2.4.2 The proportion of Qualifying Socio-Economic Contributions in 2.4.1 above spend on Communities with Limited Services	1	30% of Target in 2.4.1	The full value of SED contributions can be recognised as going towards Communities with Limited Services as Go for Gold schools and students are mostly in these areas- a letter and with link to STATSSA can be provided.
<b>BONUS POINTS</b>			
2.4.3 Annual value of contributions towards Structured SED Projects by the Measured Entity as percentage of the Target	1	1.25% of NPAT	
<p><i>Target based on the previous 3 years average NP after tax.</i></p> <p><i>Together with the ME, Go for Gold can put together a SED plan that links into our current projects in order to achieve the bonus points. Go for Gold is registered NPO, section 21 registered company with Section 18A tax exemption. All our beneficiaries are 100% black. CIPC Registration and a level 1 BBBEE certificate available on request.</i></p>			

## **Supplier Development (Ukhetha Investments: owned by G4G beneficiaries)**

Criteria	Weighting Points		Compliance Target		Notes
	C	BEP	C	BEP	
<b>2.2 Supplier Development Programmes</b>	C	BEP	C	BEP	
2.2.1 Compliant Supplier and Contractor Development Programmes	5	4	Ann. CSC 400 (C)	Ann. CSC 400 (C)	Ukhetha Investments is a Compliant Supplier meeting the necessary qualifying factors. Programme evidence must be create together with the ME as per the terms in Annexure CSC 400 (C)
<i>Depending on the client and the ME annual revenue during the measured period, the NUMBER of suppliers the ME needs to support may increase. As Ukhetha Investments is a new small company, larger ME will need to support more than 1 supplier development programme.</i>					
<b>2.3 Supplier Development Contributions</b>					
2.2.1 Annual value of enterprise development contributions and sector specific programmes made by the measured entity as a percentage of the Target	8	4	3% of NPAT	3% of NPAT	Get 80%-100% of spend recognised though loans and other related contributions. Develop Ukhetha Investments, a Black Owned recruitment and training company

### Enterprise and Supplier Development Notes

#### 1. Loans and Related Contributions

<i>Interest-Free Loan with no security requirements supporting Supplier Development</i>	<i>Outstanding Loan Amount</i>	<i>80%</i>
<i>Standard Loan to Supplier Development Beneficiaries</i>	<i>Outstanding Loan Amount</i>	<i>60%</i>
<i>Lower Interest Rate</i>	<i>Outstanding Loan Amount</i>	<i>Prime Rate – Actual Rate</i>

#### 2. Grant and Related Contributions

*Contributions to Ukhetha Investments will receive the following recognition.*

<i>Grand Contribution</i>	<i>Full Grant Amount</i>	<i>100%</i>
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#### Example:

*Company makes Net Profit After Tax (3yr ave)= R 10 million*

Therefore 3 % NPAT = R300 000.00

If you achieved this NPAT every year for 3 years, you have to spend R900 000.00. Loan of R375 000 (no interest) to Ukhetha for 3 years– End of period get loan returned. Your company saved R900 000.00

### **Ownership (Ukhetha Investments: owned by G4G beneficiaries)**

Indicator	Description	Contractor		BEP		NOTES
		W	T	W	T	
<b>2.1 Voting Rights</b>	2.1.1 Exercisable Voting Rights in the Entity in the hands of Black People	4.5	35%	5.5	35%	<i>For full points a company needs to have 25% of voting shares plus 1 point in the hands of Black people. As Ukhetha is a Black Owned company, any shares owned by Ukhetha will be counted toward this target</i>
	2.1.2 Exercisable Voting Rights in the Entity in the hands of Black women.	2	14%	2	10%	<i>Voting share in the hands of black women can be counted twice for the above target and this one. For the full points 10-14%% of shares must be in the hands of black women. Ukhetha is 45-50% black women owned and therefore about ½ of share held by Ukhetha can be counted towards this target.</i>
<i>Ukhetha is a Black Owned company - if the shares owned by Ukhetha Investments include voting rights them the above points apply. New companies start at a slightly lower T, but by year 4 need to show full T.</i>						
<b>2.2 Economic Interest</b>	2.2.1 Economic Interest in the Entity to which Black People are entitled.	4.5	35%	5.5	35%	<i>For full points a company needs to have 35% of their shares belong to black people. Any shares held by Ukhetha can be counted towards this target.</i>
	2.2.2 Economic Interest in the Entity to which Black women are entitled.	2	14%	2	14%	<i>Share in the hands of black women can be counted twice for the above target and this one. For the full points 10% of shares must be in the hands of black women. Ukhetha is 45-50% black women owned and therefore about ½ of share held by Ukhetha can be counted towards this target.</i>
	2.2.3 Economic Interest of any of the following Black natural people in the Measured Entity:					
	2.2.3.3 Black People in Broad- Based Ownership Schemes	3	12%	3	6%	<i>As Ukhetha is owned by a Black BBOS any shares held by Ukhetha can be counted toward the targeted 3%. Furthermore as Go for Gold is a BBOS it too could hold shares. Any shares held by either Ukhetha or Go for Gold can be counted towards this target.</i>

	2.2.4 Black New Entrants	5	5%	5	6%	<i>Both Go for Gold and Ukhetha Investments meet the requirements of a new entrant. Furthermore as a BBOS the shareholders are changing annually and therefore new entrants can be counted towards these points on an annual basis</i>
<b>2.3 Realisation Points</b>	2.3.1 Net Value	6	Refer to Annexe CSC100 (E)	4	Refer to Annexe CSC100 (E)	<i>Ukhetha shares held can contribute towards NVR- there is a formula that needs to be utilised to calculate the points. Please refer to the Annexe C in the Gazette DTI Codes.</i>

*New companies start at a slightly lower T, but by year 4 need to show full T.*

*Ukhetha and Go for Gold can be used towards the targets necessary to obtain the bonus points in the same manner at above. If the shares are owned by Ukhetha Investments are not voting shares; they can still be used towards for points awarded under Economic Interest.*

## **ADDENDUM B: Benefit Maximization of Phase 2 Go for Gold Employee**

### **1) Employee Tax Incentive**

As per the Employment Tax Incentive Bill of 2013, employees not older than 29 qualify and the remuneration of the employees are tax deductible as pursuant to the table below:

<i>Monthly Remuneration</i>	<i>Employment Tax Incentive per month during the first 12 months of employment of the qualifying employee</i>	<i>Employment Tax Incentive per month during the next 12 months of employment of the qualifying employee</i>
<i>R 0 - R2 000</i>	<i>50% of Monthly Remuneration</i>	<i>25% of Monthly Remuneration</i>
<i>R 2 000 - R4 000</i>	<i>1 000</i>	<i>500</i>
<i>R 4 000 - R6 000</i>	<i>Formula: R1 000 – (0.5 x (Monthly Remuneration – R4 000))</i>	<i>Formula: R500 – (0.25 x (Monthly Remuneration – R4 000))</i>

Example: R6000 remuneration per month

$R1000 - (0.5 \times (R6000 - R4000)) = \mathbf{R2000 \text{ per month Tax Saving / R24 000 per year}}$

### **2) Learnership Benefits**

Several Built Environment and Engineering related learnerships are available to employer for their employees. Placing a Go for Gold Phase 2 student on a learnership is highly beneficial.

- a) SARS Learnership Allowance: *“An annual and completion allowance of R40 000 may be claimed by the taxpayer for learnerships NQF qualification form levels 1-6, and R20 000 for learnerships NQF qualification form levels 7-10. The deduction claimable for disabled learners is R60 000 or R50 000 for both annual and completion allowances.*

*Where a learnership is terminated before a period of 12 full months the employer will be entitled to a pro rata portion of the annual allowance, regardless of the reason for the termination of the learnership. The completion allowance for a learnership of 24 months or more will be based on the number of consecutive 12 months periods completed x the above annual allowance amount.”*

Example:  $R40\ 000 \times 28\% \text{ (company tax levy)} = \mathbf{R11\ 200 \text{ per year/ R933 Tax saving per month}}$

- b) Skills Development Points: *“Skills Development Expenditure on the learning Programmes specified in the Learning programme Matrix for black people as a percentage of Leviable Amount”*

Example: Assume Leviable amount is R10million. 3% = R300 000 that must be spend a year. If you place a Phase 2 student on a learnership ALL costs spent on the student on learnership namely salary, cost of learnership, others costs can be used against this necessary spend.

### **Conclusion:**

***Assuming Cost of Learnership is R25 000 per learner with a salary of R72 000 per year.***

- Ultimately your cost per year on a student is only R61 800***
- But get your recognition of spend for per student is R97 000!***
- Thus you maximize your necessary spend for Skills Development;***
- All while having a trained dedicated focused employee (who has been groomed by Go for Gold for industry and is receiving free Math, Science and Leadership Development bridging classes,) working for your company with high earning and future potential!***