

**ANNEXURE "E"****EXAMPLE OF PSC CALCULATION**

The content of this annexure reflects an example as to how PSC is calculated.

This calculation applies to commission earners, excluding Retail commission as set forth in clause 3.2.17.2 of the National collective agreement.

All amounts used in this example are for illustration purposes only.

**Step 1**

Add total of preceding 12 months' commission earned, excluding VAT (only if registered). For instance, if PSC is to be calculated on the 1<sup>st</sup> of May during any year the preceding 12 months' commission, excluding VAT, is added: -

May (preceding year)	R3,015.00
June	R4,500.00
July	R3,000.00
August	R2,500.00
September	R2,700.00

October	R4,250.00
November	R2,000.00
December	R3,500.00
January	R1,500.00
February	R1,600.00
March	R1,750.00
April	R5,000.00
<b>TOTAL</b>	<b>R35,315.00</b>

### Step 2

Divide the total of the preceding 12 months' commission, so calculated, by 12 in order to calculate the monthly average i.e.

$$\begin{aligned} & \text{R35,315.00 divided by 12} \\ & = \mathbf{R2,943.00} \end{aligned}$$

### Step 3

Apply PSC percentage [based on the area in which the commission earner is employed] in order to calculate the monthly rate:-

$$\text{R2,943.00 X 20% [if Area A or D], or R2,943.00 X 25% [if Area B or C]}$$

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= R588.60 [if Area A or D] or R735.75 [if Area B or C]

The amount of R588.60 [if Area A or D] or R735.75 [if Area B or C] represents the monthly PSC.

#### Step 4

Calculate the daily PSC. In order to calculate the daily rate the following needs to be considered: -

1. if the commission earner works 5 days per week, the monthly rate should be divided by 21.67 in order to calculate the daily rate; or
2. if the commission earner works 6 days per week, the monthly rate should be divided by 26 in order to calculate the daily rate.

Therefore: -

1. the monthly PSC of R588.60 should be divided by 21.67 [for a commission earner that works 5 days per week] = R27.16
2. the monthly PSC of R588.60 should be divided by 26 [for a commission earner that works 6 days per week] = R22.63

**Step 5**

Apply the daily rate to the number of leave days, or notice pay, or severance pay to be calculated.

For instance, should the commission earner [working a 6 day week] take 10 days' leave / is entitled to 10 days' notice pay / is entitled to 10 days severance pay:—

the daily rate of 22.63 multiplied by 10 days;

**= R226.30**

Therefore, an amount of R226.30 will be payable (subject to the provisions of clause 21 of the collective agreement) to the commission earner for 10 days' leave / notice pay / severance pay, in addition to the normal Basic Salary and Wage payable to such commission earner.