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Employment Equity submission 2023 deadline looming

Both skills development and employment equity are imperative for businesses to comply with statutory and Broad-Based Black Economic Empowerment (B-BBEE) scorecard requirements.

In a previous article, we focused on *tips to ensure that employment equity reporting is accurate and aligned to B-BBEE claim information during verification*.

This article serves as a reminder that the deadline for manual submission of Employment Equity Plans and Reports is **2 October 2023,** whereas online submissions for 2023 need to be done by **15 January 2024.** Please note that the online reporting system opens on **1 September** each year.

Please note that although the proposed changes to the Employment Equity Act (EEA) have been passed by the government, the changes have not yet been signed into law. This means that the Employment Equity submission for 2023 will be exactly the same as in previous years. The changes will only become effective once the President has signed them into effect. We will keep you informed in this regard.

What is the purpose of the Employment Equity Act for businesses?

The purpose of the Employment Equity Act (EEA) in South Africa is–

- to promote equal opportunities and fair treatment of all people in the workplace by eliminating unfair discrimination; and
- to implement affirmative action measures to redress the disadvantages in employment experienced in the past by members from designated groups.

Who must submit an Employment Equity Report?

All Designated Employers must submit an Employment Equity Report (EER). The EEA defines a Designated Employer as follows:

- An Employer with ***50 or more employees***; or
- An Employer with fewer than 50 employees, who is subject to the ***turnover threshold*** applicable to *designated employers (*Contact SERR Synergy for your specific industry turnover threshold or visit Department of Labour website);*
- A ***Municipality***; or
- An ***Organ of State***; or
- An Employer bound by a ***collective agreement*** which appoints it as a Designated Employer; or
- Employers who **voluntarily** wish to comply with section 14 of the EEA; or
- For employers who became 'newly' designated on or after the first working day of April, but before the first working day of October only need to submit their first Employment Equity report the following year, in this case it would need to be submitted by the 15th of January 2025.

When must the Employment Equity Reports be submitted?

A manual Employment Equity Report (EER) must be submitted once every year on the first working day of October or, if an electronic report is submitted, on 15 January the following year. To recap, manual submissions for 2023 will close on 2 October, while online submissions close on 15 January 2024.

While submitting Employment Equity Reports on time is crucial, employers are advised that this is not sufficient to ensure full compliance with the legislation. Employers are also legally bound to ensure that the report's contents are factual and accurate and reflect sufficient progress in terms of affirmative action in the staffing of their organisations, as required by the EEA.

Why must an EER be submitted?

- **It is a legal requirement as prescribed by the EEA**

Non-compliance may have far-reaching consequences and affect a business adversely. Businesses may face fines of up to R1,5 million or 2% of annual turnover for first-time offenders. Repeat offenders can face fines of R2,7 million or up to 10% of their annual turnover.

- **It is important for purposes of obtaining a B-BBEE certificate**

A company voluntarily participates and is verified under the B-BBEE Codes of Good Practice. *The link between B-BBEE compliance and Employment Equity is that Management & Control (of which Employment Equity forms part) is one of the five BEE scorecard elements* according to which a company's B-BBEE level is determined. Without the Employment Equity Report, no points will be awarded for Management and Control. This will most certainly have a negative effect on the overall score and level of the BEE certificate.

How should Employment Equity Reports and Plans be submitted?

Some employers submit their Employment Equity Reports and Plans themselves, while others prefer hassle-free submission by using professional industry experts.

SERR Synergy has a team of *professional Skills Development Facilitators (SDFs)* who assist businesses with the compilation and submission of their *Employment Equity Plans and Reports* by acting as SDFs on your behalf. Our *Skills Development Facilitation and Employment Equity services* are aimed at businesses that wish to align their employment equity to their strategic corporate objectives. We guide businesses through the process to ensure that equity in your organisation meets the requirements of the Employment Equity Act and supports the growth and success of your business.

About the Author: Ivan Pirrie is certified Skills Development Facilitator, he obtained his SDF qualification in 2015. He joined SERR Synergy in 2020 and currently holds the title of Skills Development Facilitator Team Lead. His uses his Employment Equity expertise to ensure all our Designated clients comply with the Employment Equity Act

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