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EMPLOYMENT EQUITY 2024: SUBMISSION DEADLINE APPROACHING

Skills development and employment equity are essential for businesses to meet statutory obligations and achieve compliance with Broad-Based Black Economic Empowerment (B-BBEE) scorecard requirements.

We already discussed important *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 **1 October 2024** was the deadline for manual submission of Employment Equity (EE) Plans and Reports, which means that the only way to get your EE reports submitted successfully for 2024 would be to complete an online submission.

The Department of Labour's online system closes on 15 January 2025. All online submissions for 2024 will have to be done before this deadline. Please note that the online reporting system opens on **1 September** each year.

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

The purpose of the 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 the 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
- 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 in the following year, in this case by 15 January 2026.

When must the Employment Equity Reports be submitted?

A manual 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 2024 will close on 1 October, while online submissions close on **15 January 2025.**

Timely submission of Employment Equity Reports (EERs) is critical; however, it alone does not guarantee full compliance with the legislation.

Employers are legally obligated to ensure that the reports are accurate, factually correct, and demonstrate meaningful progress in implementing affirmative action measures within their organizations, as mandated by the Employment Equity Act (EEA).

Why must an Employment Equity Report 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.

Failure to submit the Employment Equity Report (EER) will result in zero points being allocated for the Management & Control element, which will significantly impact the overall Broad-Based Black Economic Empowerment (B-BBEE) score and certification level.

How should Employment Equity Reports and Plans be submitted?

Some employers choose to handle the submission of their Employment Equity Reports and Plans internally, while others opt for a seamless process by engaging 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 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, a certified Skills Development Facilitator, 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 that all our Designated clients comply with the Employment Equity Act.