



EMPLOYMENT EQUITY & DESIGNATED EMPLOYERS

Even though the Employment Equity Amendment Bill was promulgated in 2020, it has not been signed into law by the president yet and the indications are that it will only become effective in September 2023.

Members are however advised that they must still comply with all the requirements of the Employment Equity Act, 55 of 1998, if they are considered to be designated employers.

Who is a designated employer in the construction sector?

- An employer who employs 50 or more employees or
- Who has an annual turnover of 15 million rand or more

If an employer meets any one of the above criteria, such an employer must under the law prepare and submit an Employment Equity plan.

EE Manager

- The employer must appoint an employment equity manager.
- The employment equity manager must be a senior manager reporting directly to the CEO.
- The employment equity manager will put together an employment equity forum, representative of all occupational skill levels, including different races and genders.
- The employment equity forum will assist the employment equity manager with the analysis of the workforce profile, setting targets and objectives to be achieved over a five year period.

Employment Equity Plan

A designated employer must prepare, implement and submit an employment equity plan which will set out targets to achieve reasonable progress towards employment equity in that employer's workforce.

Guidelines for an Employment Equity plan

- The objectives to be achieved for each year of the plan must be clearly stated.
- Progress on implementing these objectives will have to be reported on an annual basis to the DOL, who will in turn issue companies with a certificate of compliance.
- The certificate of compliance allows companies to do business with the state and any other state entity.
- In the event that annual objectives has not been reached, justifiable reasons will have to be given to the DOL.
- The DOL will still issue a certificate of compliance in good faith.
- However, these justifiable reasons will be tested and if found non-satisfactory, the certificate of compliance will be withdrawn and a compliance order will be issued followed by penalties.

(AC - 2/9/2022)