



Dear Koos

All designated employers must, in terms of Section 21 of the Employment Equity Act, No. 55 1998, submit their annual employment equity report by 1 October 2010.

An employer falls under this Act if they meet the definition of a 'designated employer'.

A designated employer is defined as:

- an employer who employs 50 or more people,
- an employer who employs less than 50 people but has a total annual turnover that is equal or above the applicable turnover of a small business in terms of Schedule 4 of the Act, namely:

<b>Sector or subsectors in accordance with the Standard Industrial Classification</b>	<b>Total annual turnover</b>
Agriculture	R2m
Mining and Quarrying	R7.5m
Manufacturing	R10m
Electricity, Gas and Water	R10m
Construction	R5m
Retail and Motor Trade and Repair Services	R15m
Wholesale Trade, Commercial Agents and Allied Services	R25m
Catering, Accommodation and other Trade	R5m
Transport, Storage and Communications	R10m
Finance and Business services	R10m
Community, Social and Personal Services	R5m

- a municipality, as referred to in Chapter 7 of the Constitution,
- an organ of state as defined in section 239 of the Constitution but excluding:
  - local spheres of government;
  - National Defence Force;
  - National Intelligence Agency;
  - South African Secret Service; and
- an employer bound by a collective agreement in terms of section 23 or 31 of the Labour Relations Act.

Employers with less than 150 employees have to submit their report every two years. An employer must submit their first report within 12 months after becoming a designated employer and thereafter every two years on the first working day of October.

Employers with more than 150 employees must submit their report on a yearly basis on the first working day of October. An employer must submit their first report within 6 months of becoming a designated employer.

This report must be signed by the chief executive officer. Public companies have to include the report in their annual report. To meet your requirements, please submit Form EEA2: Employment Equity Report. This form can be accessed on the [Department of Labour's website](#).

Please note that fines for non-compliance start at R500 000 and increases if this is not your first contravention of the specific sections in the legislation.

**Maximum permissible fines:**

<b>Previous contravention</b>	<b>Contravention of any provision of Sections 16, 19, 20, 21, 22 and 23</b>
No previous contravention	R500 000
A previous contravention in respect of the same provision	R600 000
A previous contravention within the previous 12 months or two previous contraventions in respect of the same provision within three years	R700 000
Three previous contraventions in respect of the same provision within three years	R800 000
Four previous contraventions in respect of the same provision within three years	R900 000

Regards

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