

17 April 2023

Dear Valued Member

### **EMPLOYMENT EQUITY AMENDMENT BILL OF 2020 SIGNED INTO LAW**

On Wednesday 12 April 2023 during a media briefing, it was announced by the Presidential Spokesperson Mr Vincent Magwenya that President Cyril Ramaphosa has signed the Employment Equity Amendment Bill of 2020 into law.

According to Magwenya, the bill seeks to progress the transformation of South Africa's workforce by "*setting equity targets for economic sectors and geographical regions, and requiring enterprises to develop transformation plans*", with new measures to also promote workplace diversity and equality, whilst making compliance with related legislative requirements less burdensome.

**Among its key provisions, the amendment bill will achieve the following:**

- **Setting of Sectoral targets by the Minister of Employment and Labour**

The Bill empowers the Minister to set employment equity targets for economic sectors, as well as regions where transformation is falling behind, given that racial diversity in South Africa often has regional differences. The amendment bill also empowers the Minister of Employment and Labour to regulate compliance criteria to issue compliance certificates, as per Section 53 of the Employment Equity Act.

- **Designated Employer Definition, less regulatory impact on smaller employers**

Under the Employment Equity Act of 1998 (Act No 55 of 1998), the term "Designated Employer" refers to employers who employ 50 or more employees or an employer that employs less than 50 employees but has an annual turnover that is equal or above the sector threshold determined by the EE Act.

The new Bill amends the definition of 'designated employer' by excluding employers who employ less than 50 employees, regardless of their annual turnover. This means that the employers with less than 50 employees will be exempted from compliance.

- **State contracts – Doing Business with the State**

Companies seeking to do business with the state will be required to submit a certificate of compliance from the Department confirming that they are compliant with the Employment Equity Act and its objectives, and that they do not pay their employees less than the national minimum wage.

- **Equal pay for Equal work**

In the area of remuneration, the law requires employers to pay workers equal pay for equal work. The Bill provides clear definitions of discrimination and sets out what workers can do when facing such discrimination - including lodging grievances with the Commission for Conciliation, Mediation and Arbitration, or the Labour Courts.

The RMI is busy with ongoing discussions with the Department of Employment and Labour on the finalisation of setting of employment equity targets for the Wholesale and Retail Trade and the Repair of Motor Vehicles and Motorcycles Sector, as well as the Manufacturing of Electrical Equipment, Machinery, Equipment, Motor Vehicles, Trailers, Semi-trailers Sub-Sector.

Further communication will be sent out to all RMI members once we have concluded our discussions with the Department and have received final targets pertaining to our sector(s). Members will further be advised of a series of online seminars that will provide further clarity in this regard.

Any member that wishes to make an inquiry in this subject regard, can contact the RMI's Transformation Director, Ms. Nonhlanhla Tshabalala on [Noni.Tshabalala@rmi.org.za](mailto:Noni.Tshabalala@rmi.org.za) or telephonically on 083 208 7161.

Kind regards,



**NONHLANHLA TSHABALALA**  
**TRANSFORMATION DIRECTOR : RMI**