

Release 5.3b

Equity Report Changes



Release 5.3b contains the relevant reporting changes as published by the Minister of Employment and Labour on 8 August 2019. The new EEA4 is effective from the date of publication and must be used for the equity submissions ending on 15 January 2020, for the equity reporting year of 2018/2019

Before generating the reports, please take note of the following changes:

- The EEA4 no longer includes terminations
- The Equity report will no longer merge to the Word templates of the Labour Department but will be rendered as various worksheets in an Excel workbook

To assist with calculations and auditing of numbers, the user can refer to the EEA4 Detail and Employee Detail sheets.

We will now discuss the various sections of the report.

EEA4 – Section C: Workforce Profile and Total Remuneration

Previous Equity Submissions	Equity Submissions 15 January 2020
The EEA4 automatically populated the number of employees, which were the total of:	The EEA4 will automatically populate the number of employees, which is now the total of:
+ EEA2 Section B: Table 1.1 (workforce profile) – active employees	+ EEA2 Section B: Table 1.1 (workforce profile) – active employees
+ EEA2 Section C: Table 4.1 (terminations) – terminated employees	

The Remuneration calculation has been amended as follows:

- The equity fixed information and remuneration is recorded monthly on the Employee Equity History Screen. The Equity Report EEA4 uses the end date stated at print time to determine the 12-month period.
- The values recorded monthly on the Fixed / Guaranteed (To be Annualised) and Variable (To be Annualised) fields for the 12-month period are added together.
- This total value is annualised by dividing the value by the number of days worked in this 12-month period (equity year) multiplied by 365.
- The values recorded on the Fixed / Guaranteed (Annual Value) and Variable (Annual Value) fields are added to this total to determine the Equity Remuneration for this 12-month period (equity year).

EEA4 - Section D: Fixed / Guaranteed and Variable Remuneration

This is a new section in EEA4.

Since this section is part of EEA4, it excludes terminations. This section also excludes temporary employees.

Section D records:

- the remuneration of the employee with the highest total remuneration in terms of population group and gender for all the occupational levels,
- except for the lowest occupational level in your organisation. Here the remuneration of the employee with the lowest total remuneration in your organisation in terms of population group and gender is recorded.

The remuneration is first split between

- Fixed / Guaranteed (To be Annualised) plus Fixed / Guaranteed (Annual Value)
- Variable (To be Annualised) plus Variable (Annual Value)
- Total Remuneration

Where a choice had to be made between two employees with the same Total Remuneration, the employee with the higher Variable Remuneration is recorded, except at the lowest occupational level. Here the employee with the lowest Variable Remuneration is recorded.

EEA4 - Section E: Average and Median Remuneration and Remuneration Gap

This is a new section. Since this section is part of EEA4, it excludes terminations.

Section E records:

- the average annual remuneration of the top 10 % of the top earners in the organisation.
- the average annual remuneration of the bottom 10% of the bottom earners in the organisation.

Example of Calculation: Total employees 19

10% - 1.9 employees

Round up 2 employees

Total Remuneration of the:

- top 2 earners in the organisation divided by 2
= Total average annual remuneration of top 10% of top earners
- bottom 2 earners in the organisation divided by 2
= Total average annual remuneration of bottom 10% of bottom earners
- the median earner's remuneration in the organisation. (The median is the middle value in a list of payments, i.e. Equity Remuneration ranked from the lowest to the highest).
- The employer must indicate whether they have a policy in place to address and close the vertical gap between the highest and lowest paid employee in their workforce (Yes or No is indicated by an 'X' alongside the appropriate answer).
- The employer must indicate how many times (e.g. 10x, 15x, 20x) the vertical gap is between the highest and lowest paid employee in the organisation in terms of their policy.

- The employer must indicate if the remuneration-gap between the highest and lowest paid employees in their organisation aligns to their policy (Yes or No is indicated by an 'X' alongside the appropriate answer).
- The employer must indicate if there are AA measures to address the remuneration gap included in their EE plan (Yes or No is indicated by an 'X').
- The employer must select the key reason for the income differential that applies to their organisation