

# LABOUR NEWS

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Ready or Not, Here Comes the Labour  
Inspector!

**SOUND ADVICE &  
FAIR LABOUR PRACTICE**



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## **Department of Labour compliance**

Compliance with South Africa's labour legislation is not optional—it's a legal obligation that directly impacts the well-being of your employees and the sustainability of your business. Yet, many employers find themselves unsure of the exact requirements to meet compliance standards.

## **What Does Compliance Really Mean?**

Have you ever considered how comprehensive labour compliance truly is? Compliance isn't just about ticking a few boxes—it's about ensuring that your workplace aligns with a wide range of laws designed to protect employees, ensure fair treatment, and promote a safe working environment. From Employment Equity to Health and Safety, the scope of compliance is vast.

## **Preparing for a Department of Labour Inspection**

When an inspection is scheduled, employers will usually receive an inspection letter detailing the required information. This list of documents and information should be provided to the Department of Labour or made readily available during an in-person inspection by the assigned inspector:

- ✓ Employer to keep a copy of the Act or determination where applicable.
- ✓ Attendance Register. (last 2 months)
- ✓ Signed employment contracts / letter of appointments of an employee. (40hrs and or 45hrs)
- ✓ Information about remuneration (pay slips/envelopes), overtime, leave pay (Last 2 months)
- ✓ Unemployment Insurance, registration number, as well as proof of last payments.



- ✓ Compensation of Occupational Injuries and Diseases Act (COIDA) registration number as well as;
- ✓ Proof of last payments
- ✓ A copy of the CIPRO Certificate
- ✓ A company letterhead
- ✓ A list containing the names and ID numbers of all employees

### **Registration with the Compensation and Unemployment Insurance Funds**

Employers must be registered with both the Compensation Fund and the Unemployment Insurance Fund (UIF). These funds provide essential protection for employees in the event of workplace injuries, diseases, or unemployment. Registration is a basic yet vital step in ensuring compliance. The Department of Labour wants to inspect if you are up to date with your payment's and if payments are formulated correctly.

### **Accessibility of Essential Labour Legislation**

Companies are required to have copies of for example the Occupational Health and Safety Act and all other relevant regulations available on-site for employees. Additionally, employers must display summaries of the Basic Conditions of Employment Act and Employment Equity Act in visible areas, demonstrating transparency and commitment to legal requirements.

### **Employment Equity Compliance**

Every designated employer must develop and implement an Employment Equity plan. The goal is to promote fair treatment in the workplace, eliminate unfair discrimination, and ensure that designated groups are fairly represented. Inspectors will check if your Employment Equity policies are up to date and being effectively implemented.

#### **Did you know?**

Designated employers are determined as follows by the Employment Equity Act:

These are employers who employ more than 50 employees or employs less than 50 employees but a turnover that amount to that outlined in Schedule 4 of the



Employment equity act or if you are a designated employer based on a collective agreement.

### **Reporting of Workplace Injuries**

If an injury occurs in the workplace, it must be reported to the Department of Labour. This not only ensures compliance with COIDA but also helps protect both the employee and employer in the event of an injury claim. The Department of Labour will also inspect your registration as well as if you as a business has proof of payment of your COIDA registration fee.

### **Attendance Records**

Maintaining an accurate attendance register is a fundamental requirement. Inspectors will verify that your attendance records are in place and properly managed, ensuring that working hours and leave entitlements are accurately documented. When doing an Inspection the Department of Labour will regularly ask to see such attendance registers

### **Employment contract and Foreign Nationals**

It is important that all employees have a employment contract that adheres to the Basic Conditions of Employment Act or the main agreement of a bargaining council. Further more the employer must regularly ensure that all their foreign nationals have up to date paper work. Not ensuring that all your foreign nationals have valid papers, can result in your company having to pay hefty fines.

#### **Did you know?**

The main agreement of a Bargaining Council does not out weigh the BCEA and any provisions not made in the main agreement will refered to what the BCEA states as fair and reasonable.

### **PAYE (Pay As You Earn)**

Employers need to ensure that employees are registered for PAYE and that payments are made monthly on behalf of employees to SARS (South African Revenue Service). All it really means is that you are paying the tax you owe to SARS on a monthly basis instead of all at once at the end of the tax year, hence PAYE



means 'Pay As You Earn'. PAYE is calculated monthly and paid to SARS by the employer monthly, even if wages are paid weekly/fortnightly.

### **There is a Cost for Non-Compliance.**

How would your business be affected by non-compliance? Aside from the risk of significant fines, failing to comply with labour laws can lead to legal action or even business closure.

#### **Did you know?**

In South Africa, if an employer fails to comply with the Employment Equity Act, they can face a fine of up to 10% of their annual turnover for repeated offenses? Ensuring compliance with employment equity laws isn't just about promoting fairness; it's also a critical financial safeguard for your business!

#### **News Article Summary:** *Inspection blitz nabs non-compliant employers*

**13 May 2024**

In a recent intensive inspection led by the Department of Employment and Labour in Rustenburg, over 50 contravention notices and compliance orders were issued to employers who failed to meet regulatory standards. This three-day blitz, conducted in collaboration with the Department of Home Affairs, the Liquor Board, and the South African Police Services (SAPS), also resulted in the arrest of nine undocumented foreign nationals. The operation revealed numerous violations, including breaches of the Occupational Health and Safety Act, Compensation for Occupational Injuries and Diseases Act, and other key labour regulations. Employers who do not adhere to these laws face substantial fines, legal proceedings, and significant operational disruptions. The recent inspection underscores the severe repercussions of non-compliance and serves as a reminder of the critical need for businesses to uphold all labour laws rigorously. This information was gathered from the Department of Employment and Labour's official statement and local news reports.

<https://www.bizcommunity.com/article/inspection-blitz-nabs-non-compliant-employers-672801a>





## Ensuring Your Business Is Compliant: What Can You Do?

If the thought of a Labour Inspector walking into your business tomorrow makes you uneasy, now is the time to act. Here are some steps you can take to prepare:

- ✓ **Conduct Regular Compliance Audits:** Regularly reviewing your policies and procedures to ensure that they are compliant with the latest legislation.
- ✓ **Train Your Employees:** Keep your employees informed and equipped with the knowledge to comply with the department of labour's requirements relating to: health and safety, employment equity, and other labour legislation requirements.
- ✓ **Consult with Experts:** If you are unsure of your compliance status, partnering with labour relations professionals can provide you with the guidance you need to ensure compliance with labour laws. Like us!

At Contact Labour, we understand that navigating the complexities of labour compliance can be challenging. Our team of experts is here to support you with tailored advice, comprehensive audits, and ongoing training. Why wait until you face a compliance issue? Be proactive and protect your business.

Get in touch with us today to ensure your company is fully compliant with the Department of Labour's requirements.

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Sincerely yours!

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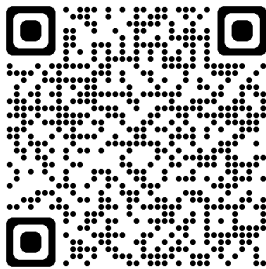
Do you know about our Facebook and LinkedIn Business pages we just launched for Contact Labour. This is where we will be sharing our best tips to help with any Labour



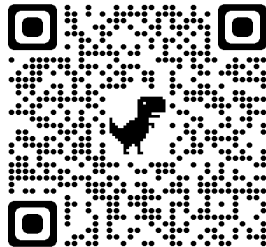
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\*T&Cs apply.

