Missing The Mark?

A Deep Dive into Sector-Specific Employment Equity Targets and How Achievable They Are in the Actuarial Context in South Africa

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Agenda

1. How Did We Get Here?
2. Sectoral Targets
3. SA3 HR Survey
4. ASSA Demographics
5. Practical Implications
6. What's Next?

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How Did We Get Here?

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How Did We Get Here?

Key dates

1. **1994:** The **post-apartheid Constitution came into effect**, providing the overarching right to equality and non-discrimination that underpins all new labour laws.
2. **1995:** The **Labour Relations Act (LRA)** was enacted to align labour law with the new Constitution, recognizing worker rights and regulating unfair labour practices, including discrimination.
3. **1997:** The **Basic Conditions of Employment Act (BCEA)** was passed, establishing minimum employment standards.
4. **1998:** The **Employment Equity Act (EEA)** came into effect, becoming the primary legislation to promote equal opportunity, eliminate unfair discrimination, and implement affirmative action measures for designated groups (black people, women, and people with disabilities).
5. **2003:** The **Broad-Based Black Economic Empowerment (B-BBEE) Act** was introduced to further economic empowerment for historically disadvantaged groups, with employment equity as a key component for companies doing business with the state.

How Did We Get Here?

Key dates

6. **2013:** The **Employment Equity Amendment Act, 2013** introduced the principle of "equal pay for work of equal value" to address historical pay gaps based on race, gender, or disability, and strengthened enforcement mechanisms and penalties.
7. **2021:** The **Employment Equity Amendment Act of 2020** was signed into law in January 2021, focusing on strengthening enforcement, reporting requirements, and introducing stricter sanctions for non-compliance.
8. **2025:** The **Employment Equity Amendment Act 4 of 2022** becomes fully effective.
    - Key changes include:
        - Narrowing the **definition of a "designated employer"** to those with 50 or more employees.
        - Introducing legally binding **sectoral numerical targets** for representation.
        - Requiring employers to have an **Employment Equity Compliance Certificate** to be eligible for state contracts.
        - Requiring **five-year Employment Equity Plans** from September 1, 2025.

Sectoral Targets

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Sectoral Targets

Definitions

"employee" means any person other than an independent contractor who—

(*a*) works for another person or for the State and who receives, or is entitled to receive, any remuneration; and

(*b*) in any manner assists in carrying on or conducting the business of an employer,

"designated employer" means—

(*a*) an employer who employs 50 or more employees;

(*b*) . . . . . .

Sectoral Targets

Definitions

"designated groups" means black people, women and people with disabilities who—

(*a*) are citizens of the Republic of South Africa by birth or descent; or

(*b*) became citizens of the Republic of South Africa by naturalisation—

(i) before 27 April 1994; or

(ii) after 26 April 1994 and who would have been entitled to acquire citizenship by naturalisation prior to that date but who were precluded by apartheid policies;

Sectoral Targets

5-Year Sectoral Numerical Targets – Financial and Insurance Activities

Occupational Level	Male (Black)	Female	Total
Top Management	27,80%	35,30%	**63,10%**
Senior Management	31,70%	45,30%	**77,00%**
Professionally Qualified & Middle Management	40,70%	46,10%	**86,80%**
Skilled Technical	49,50%	46,10%	**95,60%**
Disability only	3,00%	3,00%	**3,00%**

"black people" is a generic term which means Africans, Coloureds and Indians;

Sectoral Targets

National Economically Active Population (EAP) by Race and Gender

Race	Male	Female	Total
African	43,50%	37,50%	**81,00%**
Coloured	4,60%	4,20%	**8,80%**
Indian	1,70%	1,00%	**2,70%**
White	4,10%	3,40%	**7,50%**
Total	53,90%	46,10%	**100,00%**

Sectoral Targets

5-Year Sectoral Numerical Targets – Financial and Insurance Activities Males

Occupational Level	Black	Coloured	Indian	Total
Top Management	24,30%	2,60%	0,90%	**27,80%**
Senior Management	27,70%	2,90%	1,10%	**31,70%**
Professionally Qualified & Middle Management	35,60%	3,80%	1,40%	**40,70%**
Skilled Technical	43,20%	4,60%	1,70%	**49,50%**

Sectoral Targets

5-Year Sectoral Numerical Targets – Financial and Insurance Activities Females

Occupational Level	Black	Coloured	Indian	White	Total
Top Management	28,70%	3,20%	0,80%	2,60%	**35,30%**
Senior Management	36,80%	4,10%	1,00%	3,30%	**45,30%**
Professionally Qualified & Middle Management	37,50%	4,20%	1,00%	3,40%	**46,10%**
Skilled Technical	37,50%	4,20%	1,00%	3,40%	**46,10%**

Sectoral Targets

Key dates

1. **April 15, 2025**: The Minister of Employment and Labour published the new Employment Equity Regulations, 2025, and the sectoral numerical targets, which are effective immediately.
2. **August 31, 2025**: The deadline for designated employers to prepare and implement a new five-year Employment Equity Plan for the period September 1, 2025, to August 31, 2030.
3. **September 1, 2025**: The new five-year EE plans become effective.
4. **September 1, 2025 – January 15, 2026**: The first EE reporting period opens. The first certificates of compliance will be issued during this time, though employers will not yet be assessed on their progress toward the five-year sectoral targets.
5. **January 15, 2026**: The deadline for the first electronic submission of the annual EE report.
6. **September 1, 2026 – January 15, 2027**: The first annual evaluation period where employers will be assessed against the new annual targets for progress toward the five-year goals.

Sectoral Targets

Penalties for not achieving these targets:

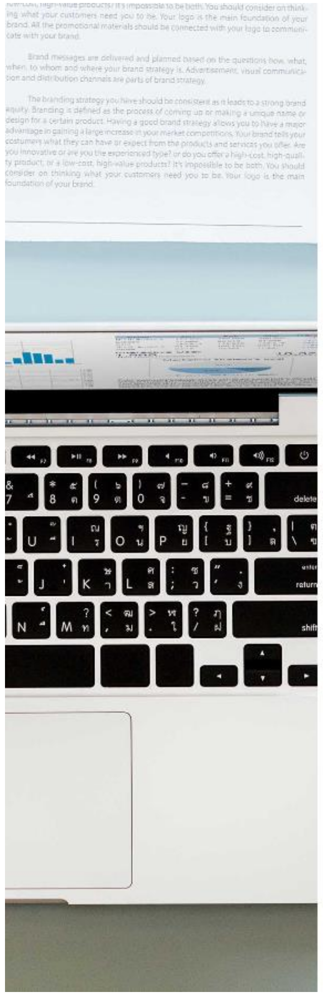
- Fines up to R2.7 million or 10% of annual turnover
- Exclusion from state contracts.
- First-time offenders face a penalty of up to R1.5 million or 2% of turnover, with fines increasing for repeat offenses.
- Labour inspectors can also issue compliance orders,
- Non-compliance can potentially lead to costly litigation in the Labour Court.

SA3 HR Survey

SA3 HR Survey

Methodology

1. +- 20 respondents from 76 (September 2025)
2. Representing approximately 675 actuarial staff
3. Representing approximately 95,000 staff in total
4. Questions covered
   - Readiness and strategy
   - Talent availability and recruitment challenges
   - Retention and inclusion
   - Compliance and risk management
   - Attitudes and perspectives



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SA3 2025 ASSA Convention: "Missing the Mark? A Deep Dive into Sector-Specific Employment Equity Targets and How Achievable They Are in the Actuarial Context in South Africa."

Introduction:

As part of our upcoming presentation at the 2025 ASSA Convention, we are conducting a focused survey with key employers in the financial services and insurance industries.

With the Employment Equity Amendment Act and the introduction of sector-specific numerical targets effective from 1 January 2025, companies in the financial sector — including those employing actuarial professionals — are facing increasing pressure to transform their workforce and align with these new expectations. These targets aim to improve the representation of Black South Africans, women, and persons with disabilities, particularly at senior and professional levels.

Given the highly specialized nature of actuarial work and the historical underrepresentation of designated groups in these roles, we believe it's vital to gain real-world insights into how companies are responding, what challenges they are facing, and what support may be needed to meet the targets in a meaningful and sustainable way.

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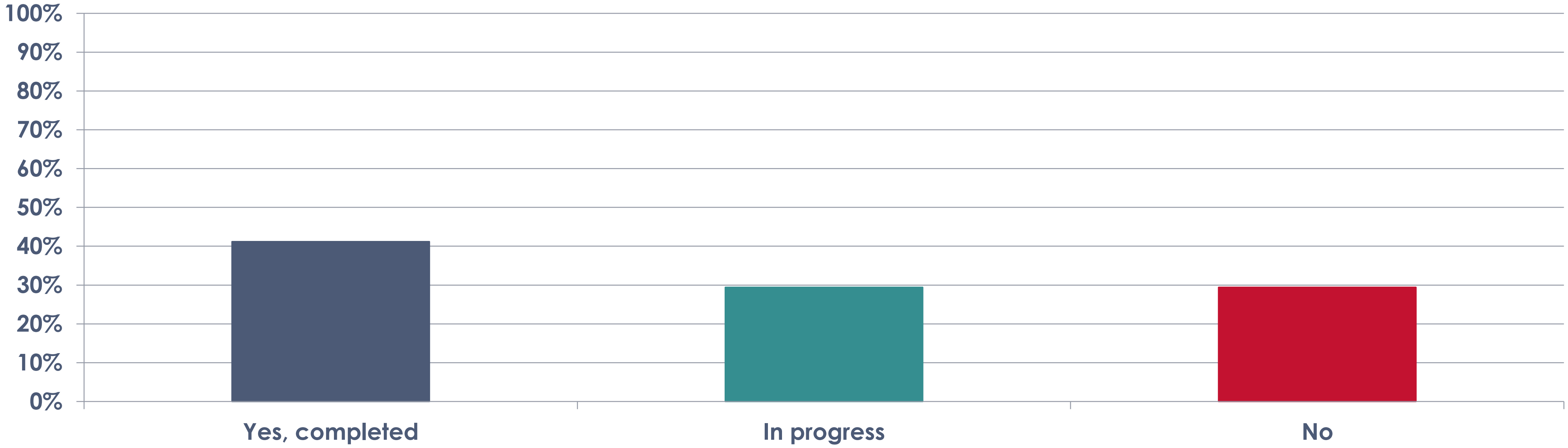
Readiness and Strategy

Has your company conducted a gap analysis against the 2025 EEA Act's sector-specific numerical targets for actuarial staff?



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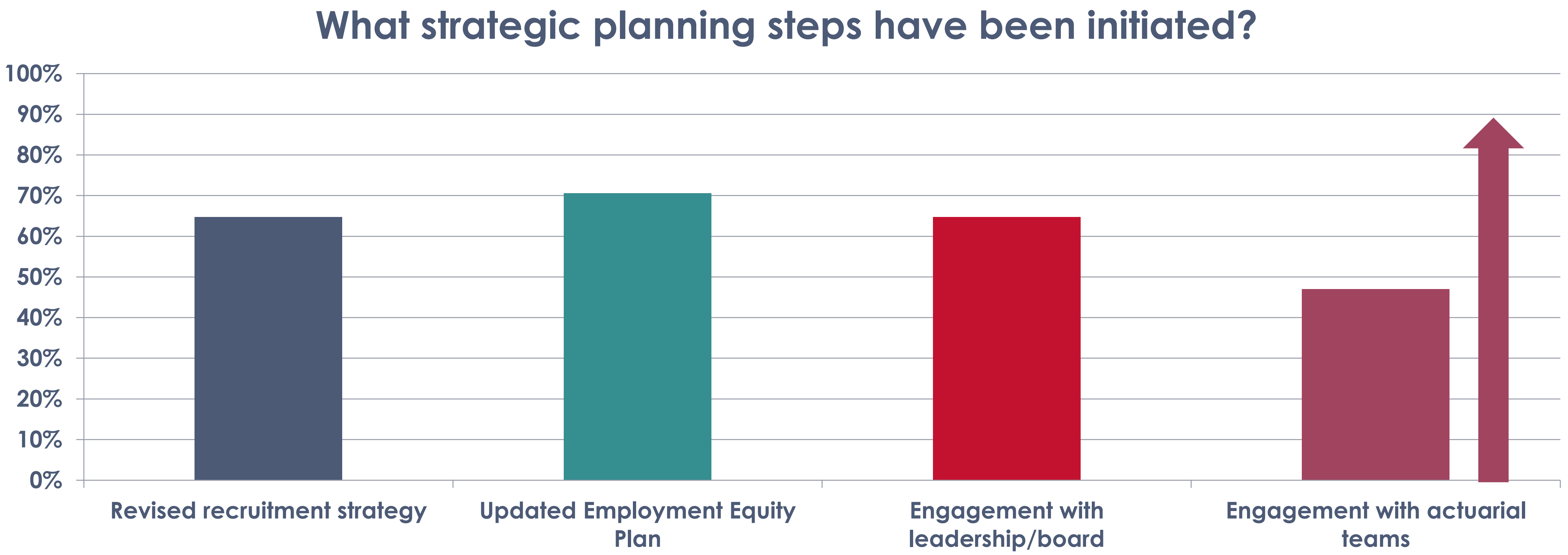
Readiness and Strategy



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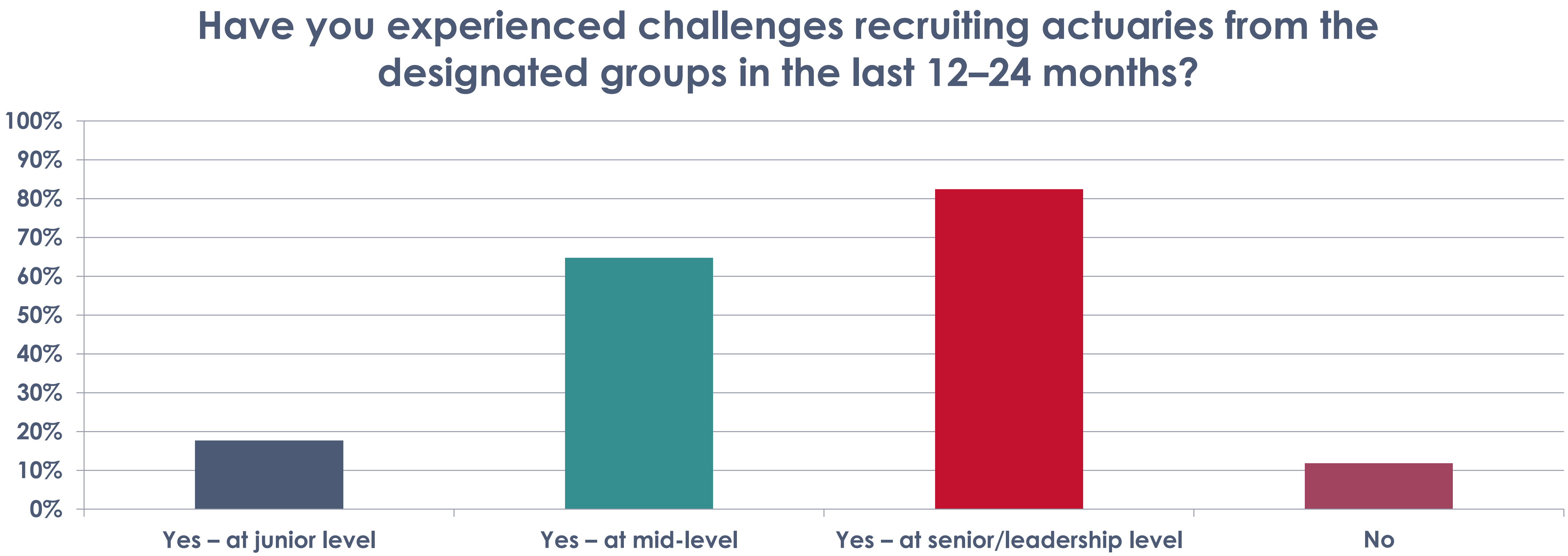
Readiness and Strategy

SA3 HR Survey

Talent availability and recruitment challenges



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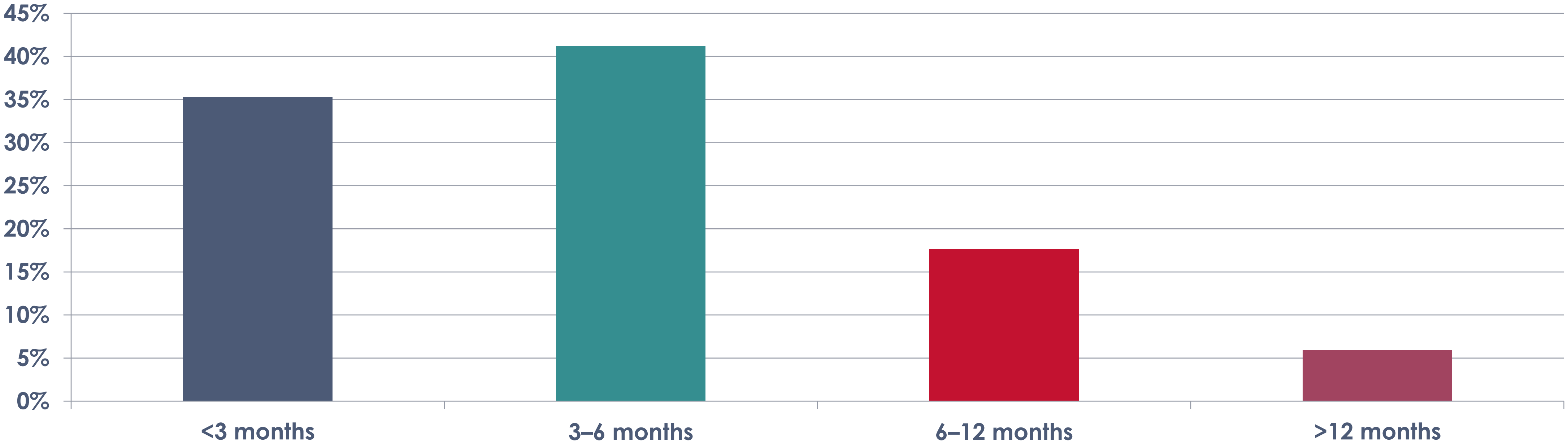
Talent availability and recruitment challenges

On average, how long are actuarial roles typically open for while you search for candidates who are from the designated groups?



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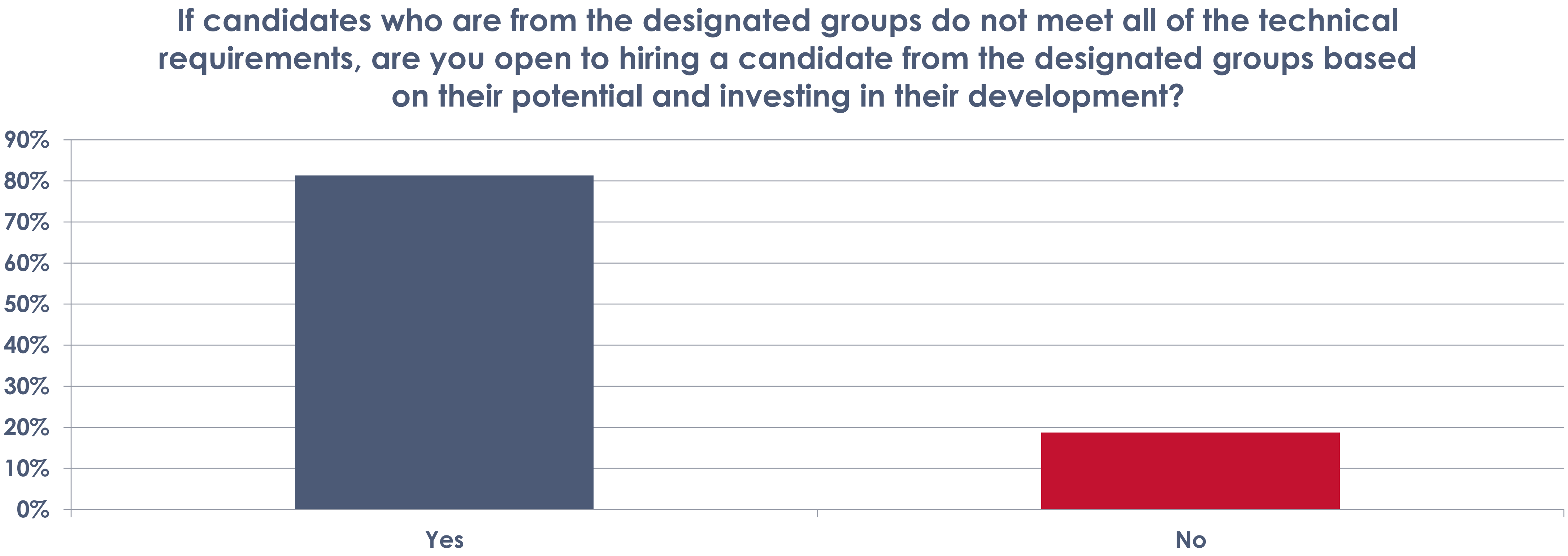
Talent availability and recruitment challenges



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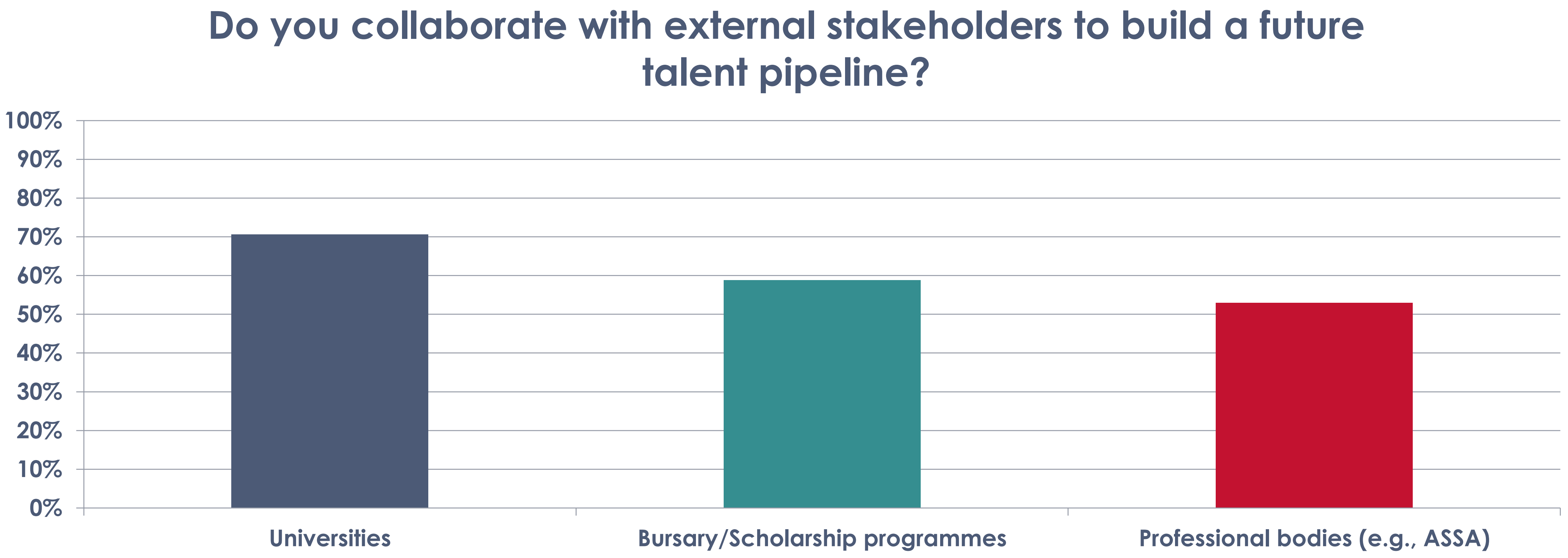
Talent availability and recruitment challenges



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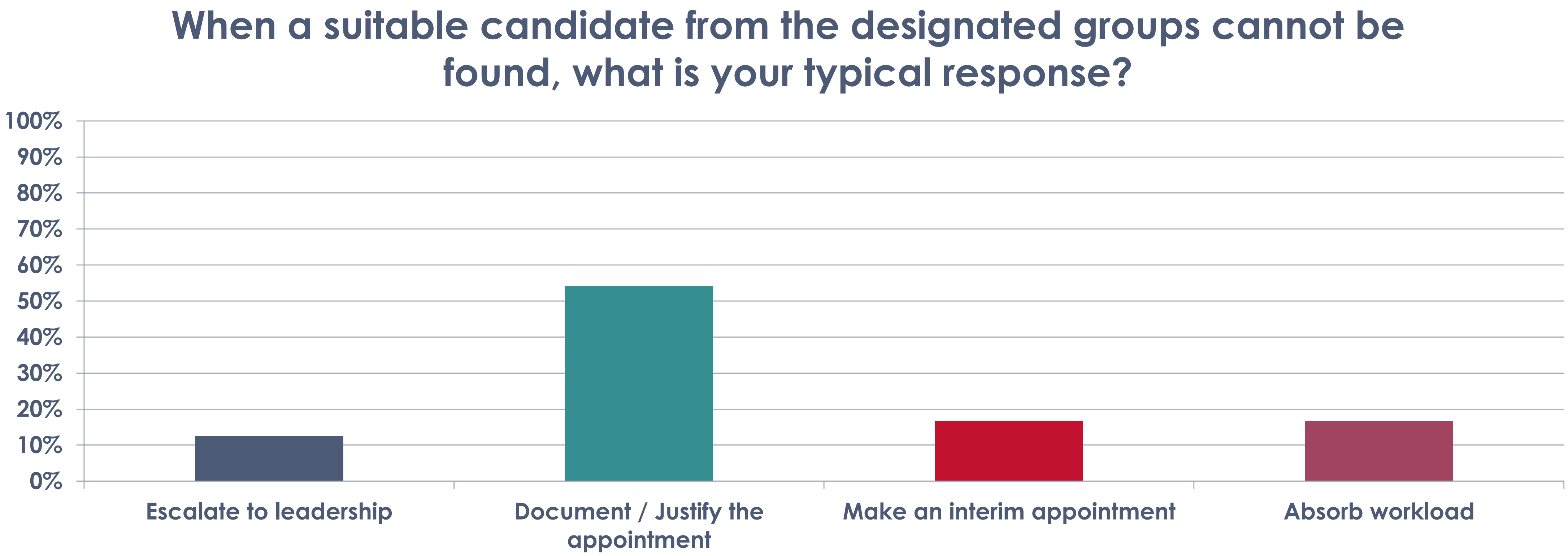
Talent availability and recruitment challenges



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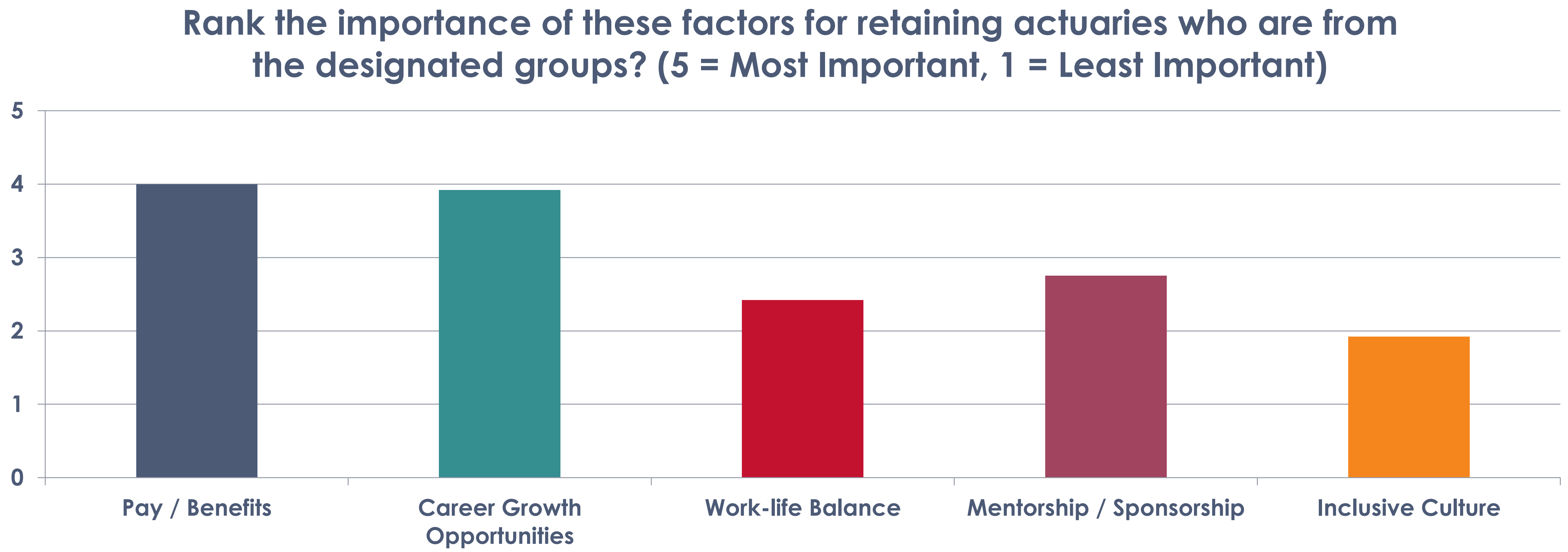
Retention and inclusion



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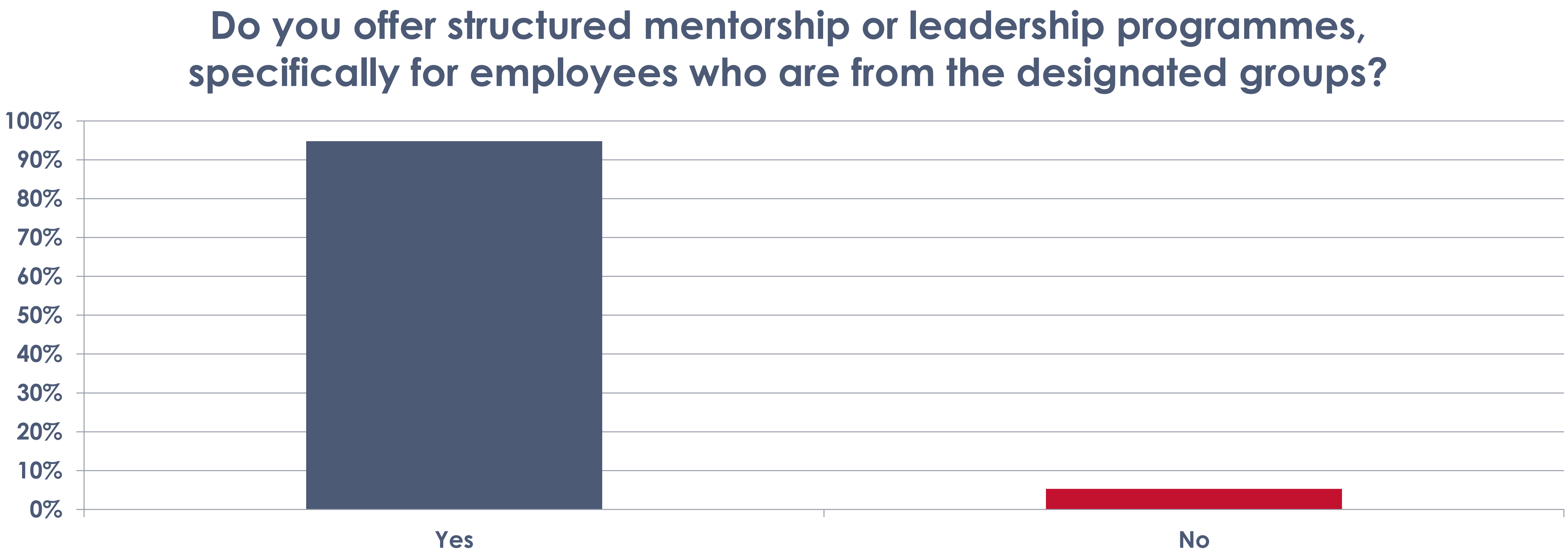
Retention and inclusion



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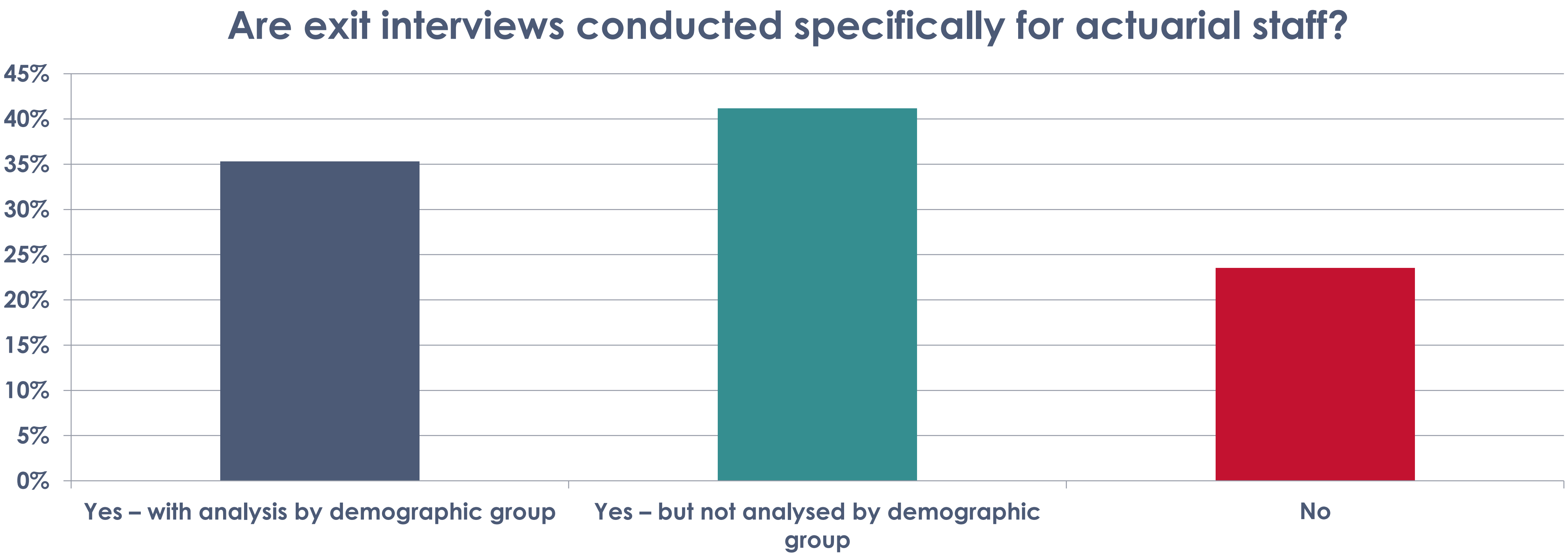
Retention and inclusion



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Compliance and Risk Management

In your view, what makes actuaries who are from the designated groups stay or leave?	
Stay factors	**Leave factors**
Meaningful work	Lack of exam progress
Broad exposure / growth opportunities	Workload / work-life balance
Promotions / management roles	Variable pay
Remuneration	
Coaching	
Culture / sense of belonging	

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Compliance and Risk Management

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Compliance and Risk Management

Are the five-year sectoral EE targets realistic for actuarial roles?

Time for a quick poll…

Yes – fully achievable

Somewhat achievable

Not realistic

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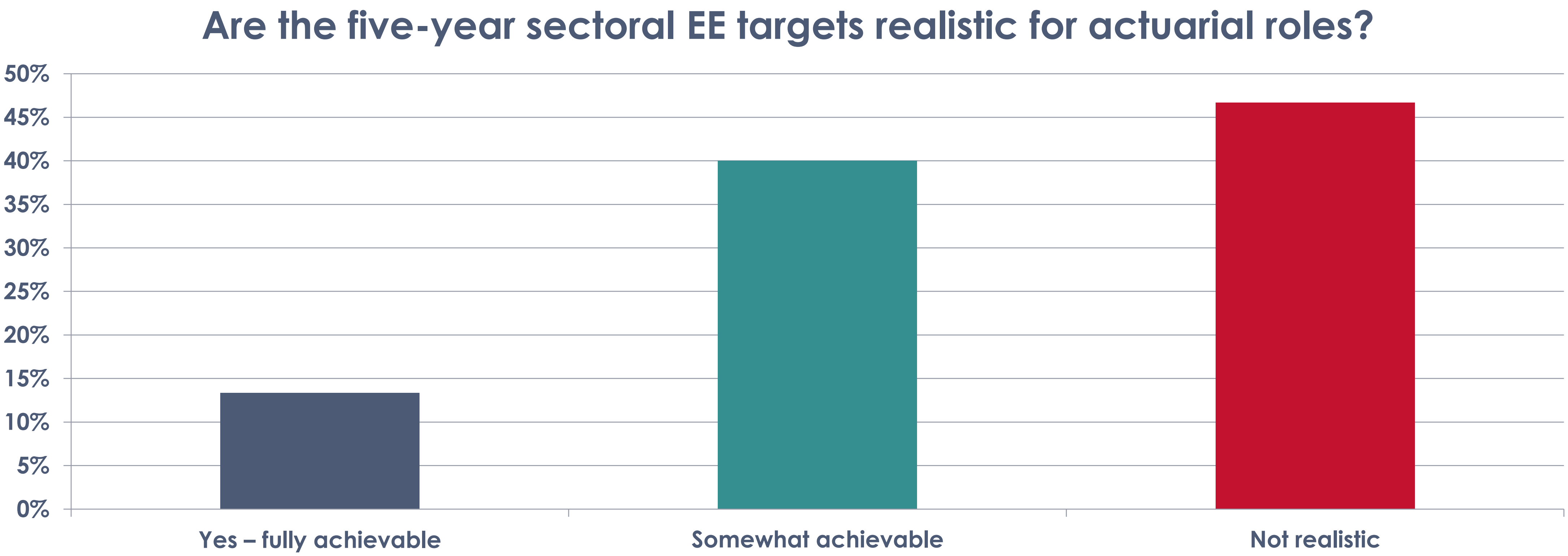
Compliance and Risk Management



Industry Overview

Compliance and Risk Management

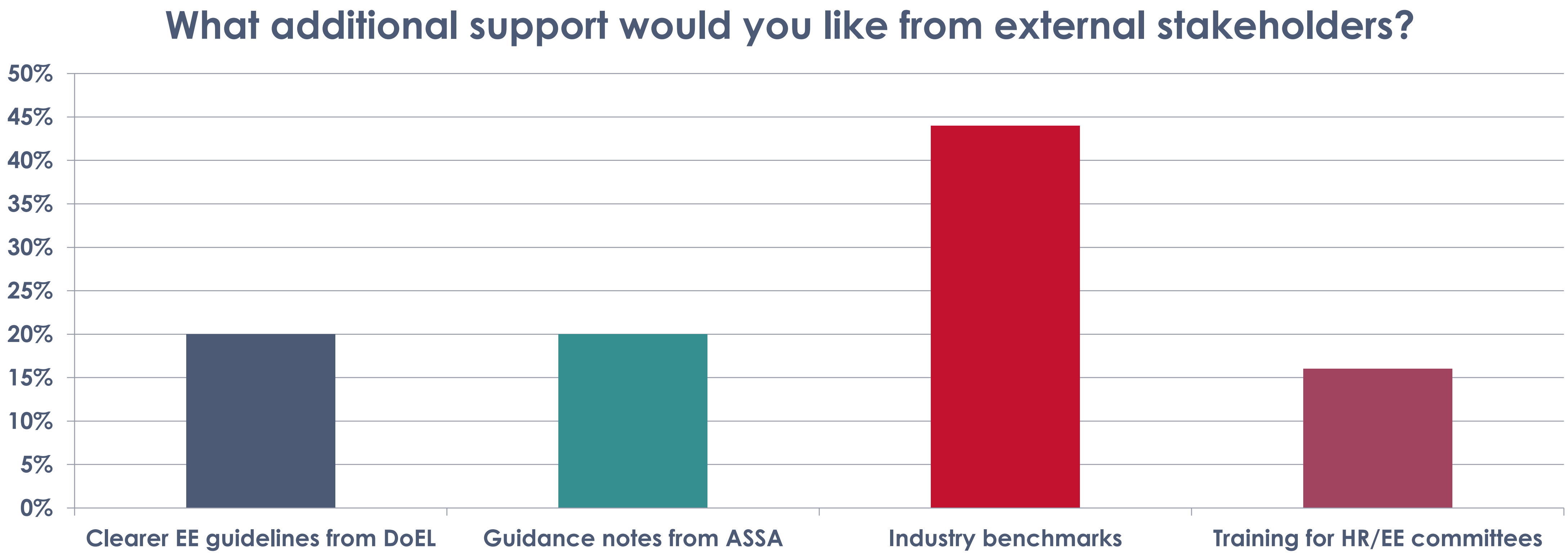
What additional support would you like from external stakeholders?

Time for another quick poll…

Clearer EE guidelines from DoEL | Guidance notes from ASSA | Industry benchmarks | Training for HR/EE committees

Industry Overview

Compliance and Risk Management



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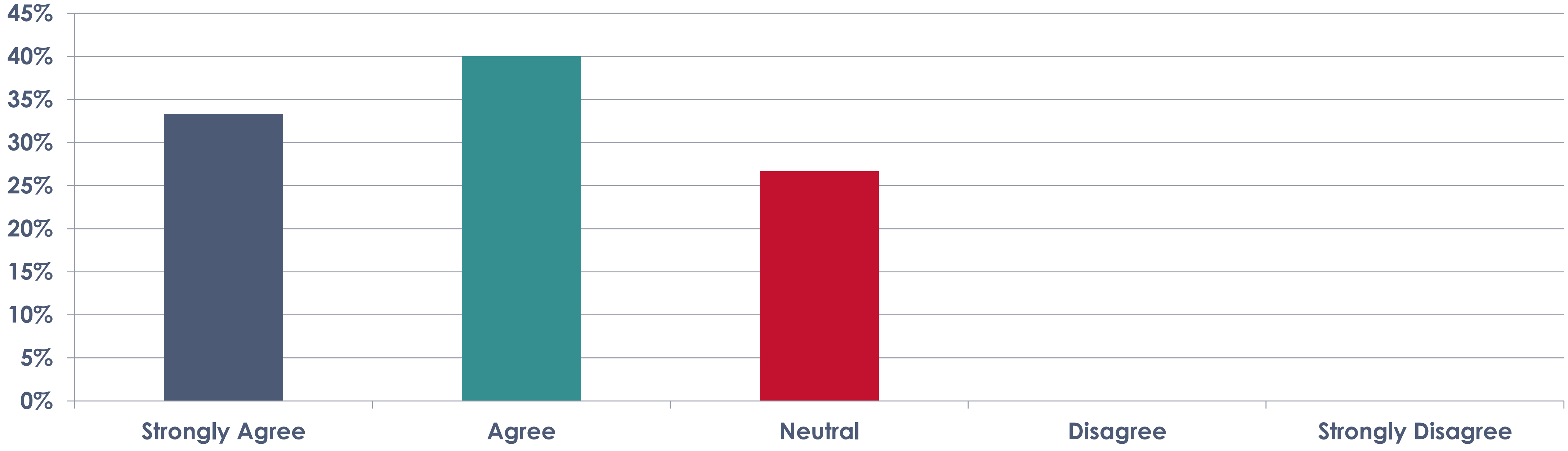
Attitudes & Perspectives

Your current HR policies meaningfully support transformation in actuarial teams.



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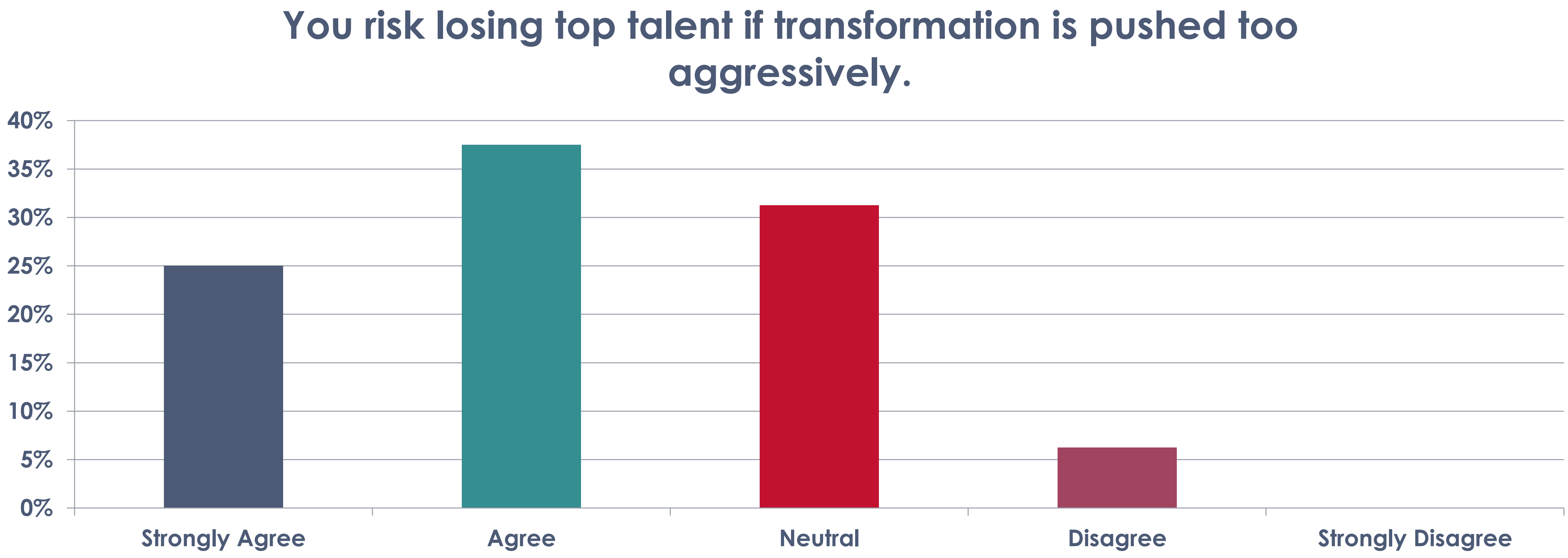
Attitudes & Perspectives



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ASSA Demographics

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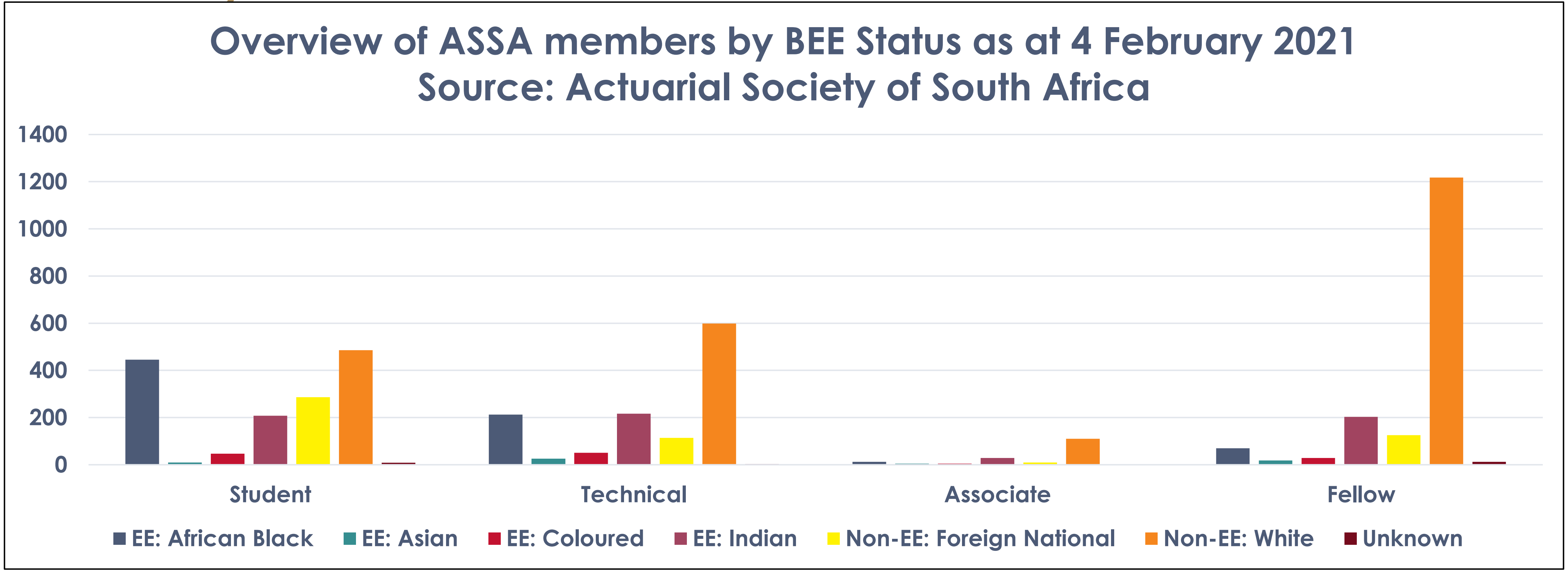
ASSA Demographics

4 February 2021



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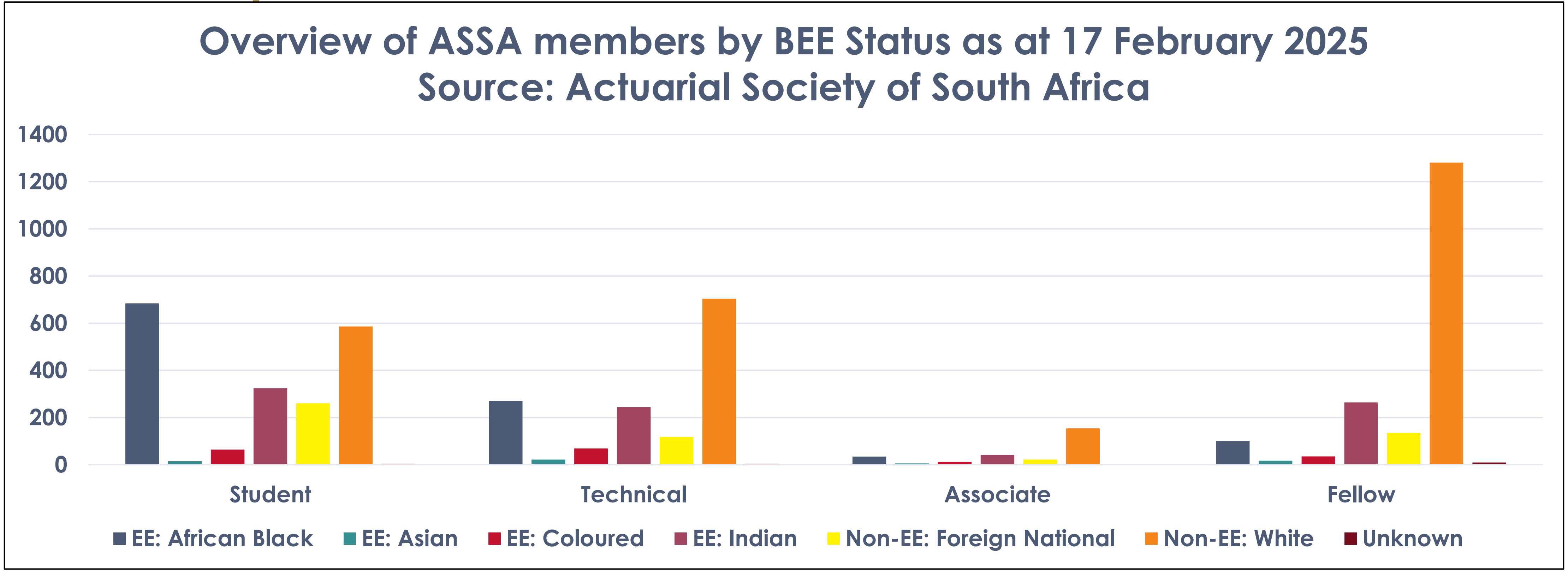
ASSA Demographics

17 February 2025 - 4 Years on!



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ASSA Demographics

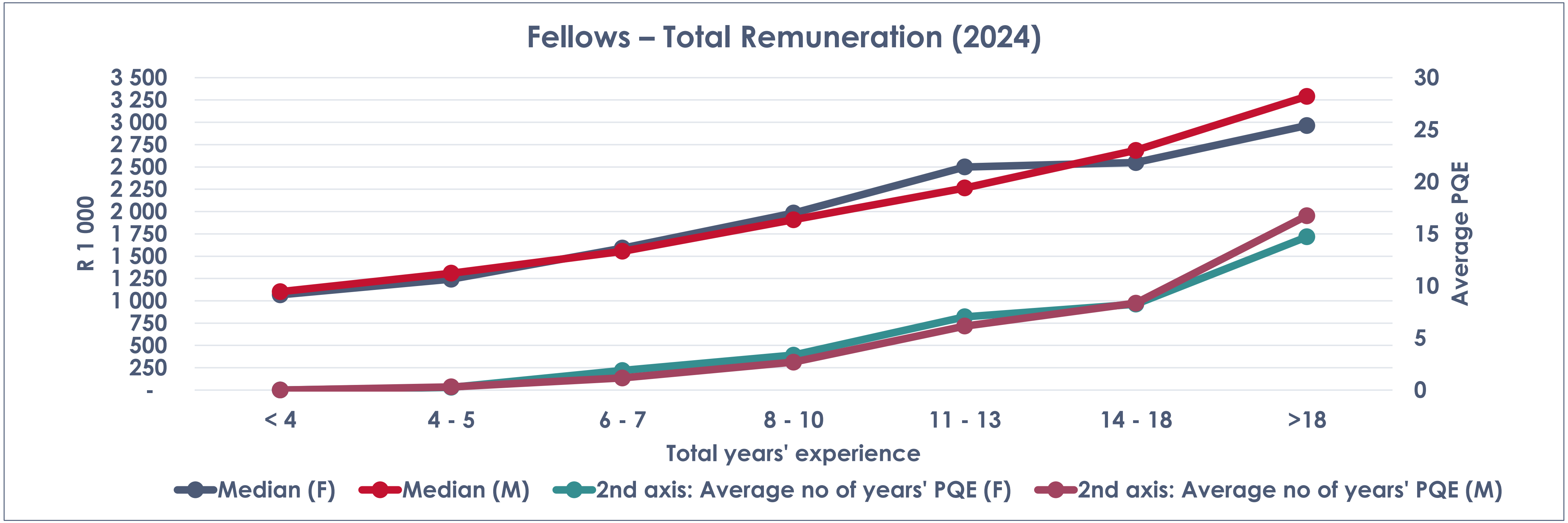
Deltas: 2021 - 2025

	Student	TASSA	AMASSA	FASSA
EE: African Black	239	58	22	31
EE: Asian	5	-3	1	-1
EE: Coloured	17	18	7	6
EE: Indian	117	28	13	61
Non-EE: Foreign	-25	4	12	10
Non-EE: White	100	105	44	63
Unknown	-5	1	-1	-2
Total	**448 (30%)**	**211 (17%)**	**98 (57%)**	**168 (10%)**

Practical Implications

Practical Implications

Salaries – Male vs Female (SA3 2024 Salary Survey)



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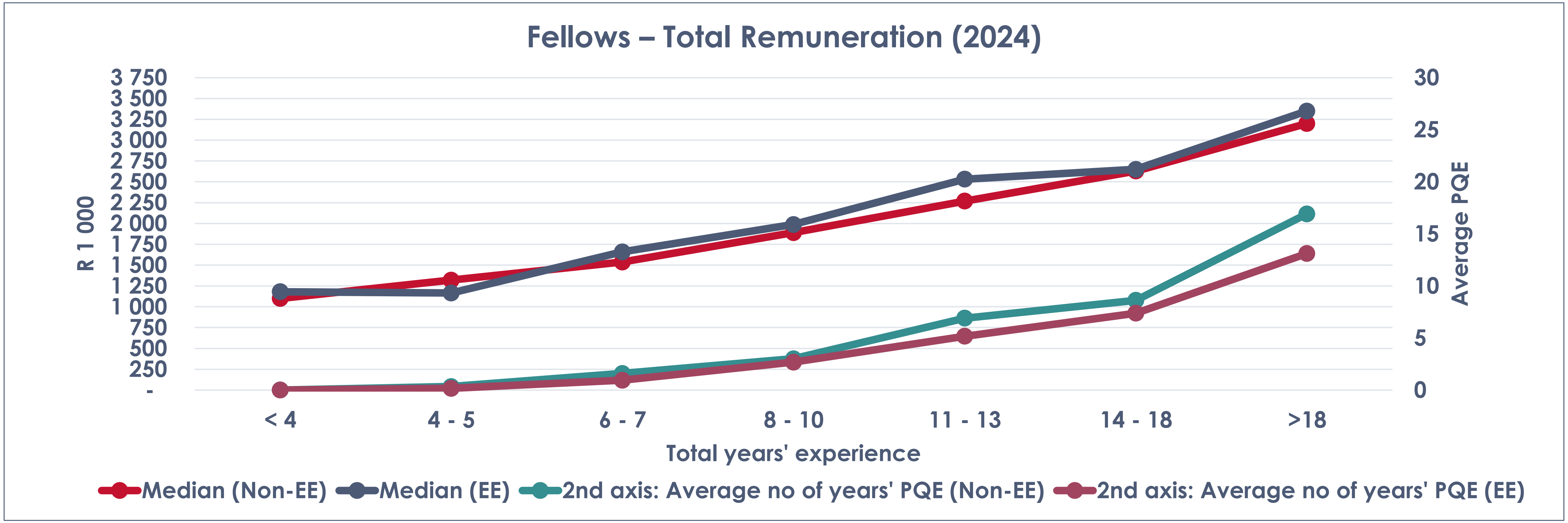
Practical Implications

Salaries – EE vs Non-EE (SA3 2024 Salary Survey)



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Practical Implications

Average Tenure - Fellows (SA3 2024 Salary Survey)

Years of Experience	Non-EE	EE	Difference
< 4	2,1	1,8	0,3
4 – 5	3,5	3,0	0,5
6 – 7	3,9	3,4	0,5
8 – 10	4,8	4,7	0,1
11 – 13	5,8	5,8	0,0
14 – 18	7,7	5,2	2,5
> 18	11,0	7,3	3,7

Practical Implications

Other Practical Implications

- Companies may attempt to restrict staff complement to keep numbers below 50 people / split up businesses
    - Growth implications?
- Cross-subsidy between departments

What's Next

Looking at the road to qualification:

- **Basic Education**
    - Bonnievale example
    - TIMSS 2023 (Trends in International Maths and Science Study)
    - PIRLS 2021 (Progress in International Reading Literacy Study)
- **Tertiary Education**
- **Exams while in Employment**

What's Next

What can we do as an industry ?

- **Universities** (Entry criteria? Pathways? ~~Targets?~~)
- **Employers** (Exam Support? Mentorship? Engagement with DoEL?)
- **ASSA** - Set achievable, data-driven targets for our profession:
  - Demographic modelling 2030
  - Guidance to members
  - Engagement with DoEL
  - ASSA Exams (~~Targets?~~)

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SA3 Proposal: Realistic Sectoral Targets

Based on 2024 SA3 Salary Survey Data

Occupational Level	SA3 Equivalent	Male	Female	Total
Top Management	FASSA with > 15 years' PQE	5,3% (27,8%)	17,0% (35,3%)	**22,3% (63,1%)**
Senior Management	FASSA with 10-15 years' PQE	16,5% (31,7%)	19,7% (45,3%)	**36,2% (77,0%)**
Professionally Qualified & Middle Management	FASSA with < 10 years PQE	18,5% (40,7%)	26,9% (46,1%)	**45,4% (86,8%)**
Skilled Technical	Student / TASSA / AMASSA	36,7% (49,5%)	29,8% (46,1%)	**66,5% (95,6%)**
Disability only		3,0%	3,0%	**3,0%**

"A designated employer will not incur penalties or any form of disadvantage if in the assessment of compliance of affirmative action in any workplace it shows that there are reasonable grounds for not complying with the EE targets." – Government Gazette, 15 April 2025, Point 3.3

SA3 Proposal: Realistic Sectoral Targets

Based on 2024 SA3 Salary Survey Data - Top Management

Occupational Level	SA3 Equivalent	Male	Female	Total
Top Management	FASSA with > 15 years' PQE	**5,3% (27,8%)**	**17,0% (35,3%)**	**22,3% (63,1%)**
Black		1,1% (24,3%)	0% (28,7%)	**1,1% (53,0%)**
Coloured		1,1% (2,6%)	1,1% (3,2%)	**2,2% (5,8%)**
Indian		3,1% (0,9%)	2,1% (0,8%)	**5,2% (1,7%)**
White		n/a	13,8% (2,6%)	**13,8% (2,6%)**

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SA3 Proposal: Realistic Sectoral Targets

Based on 2024 SA3 Salary Survey Data - Senior Management

Occupational Level	SA3 Equivalent	Male	Female	Total
Senior Management	**FASSA with 10-15 years' PQE**	**16,5% (31,7%)**	**19,7% (45,3%)**	**36,2% (77,0%)**
Black		2,4% (27,7%)	0,8% (36,8%)	**3,2% (64,5%)**
Coloured		0,8% (2,9%)	0,8% (4,1%)	**1,6% (7,0%)**
Indian		13,3% (1,1%)	3,1% (1,0%)	**16,4% (2,1%)**
White		n/a	15,0% (3,3%)	**15,0% (3,3%)**

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SA3 Proposal: Realistic Sectoral Targets

Based on 2024 SA3 Salary Survey Data - Professionally Qualified

Occupational Level	SA3 Equivalent	Male	Female	Total
Professionally Qualified & Middle Management	**FASSA with < 10 years PQE**	**18,5% (40,7%)**	**26,9% (46,1%)**	**45,4% (86,8%)**
Black		5,2% (35,6%)	3,4% (37,5%)	**8,6% (73,1%)**
Coloured		1,4% (3,8%)	0,6% (4,2%)	**2,0% (8,0%)**
Indian		11,9% (1,4%)	5,0% (1,0%)	**16,9% (2,4%)**
White		n/a	17,9% (3,4%)	**17,9% (3,4%)**

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SA3 Proposal: Realistic Sectoral Targets

Based on 2024 SA3 Salary Survey Data - Skilled Technical

Occupational Level	SA3 Equivalent	Male	Female	Total
Skilled Technical	**Student / TASSA / AMASSA**	**36,7% (49,5%)**	**29,8% (46,1%)**	**66,5% (95,6%)**
Black		19,6% (43,2%)	10,9% (37,5%)	**30,5% (80.7%)**
Coloured		2,6% (4,6%)	1,4% (4,2%)	**4,0% (8,8%)**
Indian		14,5% (1,7%)	4,8% (1,0%)	**19,3% (2,7%)**
White		n/a	12,7% (3,4%)	**12,7% (3,4%)**

Why do we need achievable data-driven targets?

Why do we need achievable data-driven targets?

When the goal is not achievable, there is a significant risk that employers will walk away and do less for transformation, than what they otherwise would have done.

Our perception – Our profession and employers are serious about transformation, and the vast majority want to do the right thing.

"Let us not become weary in doing good, for at the proper time we will reap a harvest if we do not give up." ~ Galatians 6:9 (NIV)


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