

IMPLEMENTATION OF THE NEW NATIONAL MINIMUM WAGE

Until recently, there was no mandatory national minimum wage which employers were required to pay to even entry level staff, however, recent developments have changed this position.

It is noted that with the new regulations set to take effect from May 2018, the new national minimum wage will require employers across all sectors, including Agriculture and Domestic Workers, to pay R 20-00 (twenty rand) per hour. This effectively means the following:

- Employees who work a 40 (forty) hour work week shall receive a minimum monthly salary of R 3 500-00 (three thousand five hundred rand) per month; and
- Employees who work a 45 (forty five) hour work week shall receive a minimum monthly salary of R 3 900-00 (three thousand nine hundred rand) per month.

The new National Minimum Wage will be adjusted annually by the National Minimum Wage Commission and Government has further pledged to assist so-called “fragile industries” who will have difficulty in complying with the new regulations, although at this point there has been no clarity with regards to what this assistance might entail.

Most importantly, despite recent media reports, it appears that all Union Federations, including COSATU have given the go ahead for the implementation of the new national minimum wage given that the stated purpose of same is to uplift vulnerable workers and

realise the objective of working towards a living wage for all workers. The Union buy-in will hopefully lead to a minimum of labour unrest in the coming months.

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