

13 FEBRUARY 2017

EMPLOYMENT ALERT

Our programme on Conducting a Disciplinary Enquiry has been accredited by the Services SETA.

IN THIS ISSUE

THE DEVIL IS IN THE DETAIL: NATIONAL MINIMUM WAGE

Deputy President Cyril Ramaphosa last week announced that representatives of government, business, the community sector and two of the three labour federations represented at The National Economic Development and Labour Council (Nedlac) have concluded an agreement on the introduction of a National Minimum Wage (NMW).



[CLICK HERE](#) to view our NEW Employment Strike Guideline

THE DEVIL IS IN THE DETAIL: NATIONAL MINIMUM WAGE

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The emphasis of the agreement was that the level of the NMW will be R20.00 per hour. However, a number of other important factors have also been dealt with in the agreement and require further consideration. When implementing the NMW, these factors must be taken into account:

Firstly, the NMW is subject to annual adjustment. The following factors will be taken into account when determining the amount by which the NMW must be increased – the cost of living and minimum living levels, the alleviation of poverty, wage differentials and inequality, conditions of employment, the health, safety and welfare of workers, employment levels, inflation, GDP growth, productivity, collective bargaining, the aspirational target and the impact of a NMW adjustment on employment. It is, therefore, important that employers consider making the requisite representations to the NMW Commission on an annual basis, regarding any proposed adjustments to the NMW.

Secondly, Small, Medium and Micro Enterprises (SMMEs) and start-up business are not exempt from the implementation of the NMW. However, they will be able to apply for an exemption under certain circumstances.

Thirdly, when the NMW is introduced, domestic workers will be paid 75% of the NMW and agricultural workers will be paid 90% of the NMW. It is envisaged that these sectors will be brought up to 100% of The NMW level within two years, pending research by the NMW Committee on this timeframe.

Finally, sectoral determinations, collective agreements, bargaining council agreements and individual contracts of employment must comply with the NMW Act, still to be promulgated.

Having regard to the above, it is imperative that the cost of the NMW is taken into account when employers are planning their staffing requirements.

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Aadil Patel ad Kirsten Caddy

Employment STRIKE GUIDELINE

Our Employment practice's new
EMPLOYMENT STRIKE GUIDELINE
answers our clients' FAQs.

Topics discussed include strikes, lock-outs and picketing.

 [CLICK HERE TO FIND OUT MORE](#)

CHAMBERS GLOBAL 2014 - 2016 ranks our Employment practice in Band 2: Employment.

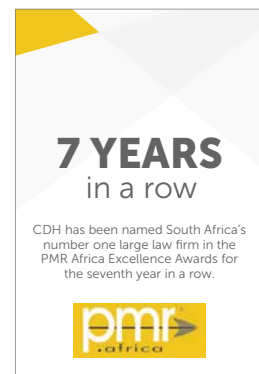
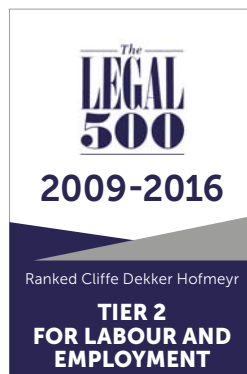
Aadil Patel ranked by CHAMBERS GLOBAL 2015 - 2016 in Band 2: Employment.

Hugo Pienaar ranked by CHAMBERS GLOBAL 2014 - 2016 in Band 2: Employment.

Fiona Leppan ranked by CHAMBERS GLOBAL 2016 in Band 3: Employment.



Michael Yeates named winner in the **2015 and 2016 ILO Client Choice International Awards** in the category 'Employment and Benefits, South Africa'.



OUR TEAM

For more information about our Employment practice and services, please contact:



Aadil Patel
National Practice Head
Director
T +27 (0)11 562 1107
E aadil.patel@cdhlegal.com



Gillian Lumb
Regional Practice Head
Director
T +27 (0)21 481 6315
E gillian.lumb@cdhlegal.com



Jose Jorge
Director
T +27 (0)21 481 6319
E jose.jorge@cdhlegal.com



Fiona Leppan
Director
T +27 (0)11 562 1152
E fiona.leppan@cdhlegal.com



Hugo Pienaar
Director
T +27 (0)11 562 1350
E hugo.pienaar@cdhlegal.com



Nicholas Preston
Director
T +27 (0)11 562 1788
E nicholas.preston@cdhlegal.com



Thabang Rapuleng
Director
T +27 (0)11 562 1759
E thabang.rapuleng@cdhlegal.com



Samiksha Singh
Director
T +27 (0)21 481 6314
E samiksha.singh@cdhlegal.com



Gavin Stansfield
Director
T +27 (0)21 481 6313
E gavin.stansfield@cdhlegal.com



Michael Yeates
Director
T +27 (0)11 562 1184
E michael.yeates@cdhlegal.com



Anli Bezuidenhout
Senior Associate
T +27 (0)21 481 6351
E anli.bezuidenhout@cdhlegal.com



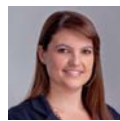
Kirsten Caddy
Senior Associate
T +27 (0)11 562 1412
E kirsten.caddy@cdhlegal.com



Samantha Coetzer
Senior Associate
Professional Support Lawyer
T +27 (0)11 562 1019
E samantha.coetzer@cdhlegal.com



Ndumiso Zwane
Senior Associate
T +27 (0)11 562 1231
E ndumiso.zwane@cdhlegal.com



Samantha Bonato
Associate
T +27 (0)11 562 1134
E samantha.bonato@cdhlegal.com



Sean Jamieson
Associate
T +27 (0)11 562 1296
E sean.jamieson@cdhlegal.com



Zola Mcaciso
Associate
T +27 (0)21 481 6316
E zola.mcaciso@cdhlegal.com



Anelisa Mkeme
Associate
T +27 (0)11 562 1039
E anelisa.mkeme@cdhlegal.com



Prinoleen Naidoo
Associate
T +27 (0)11 562 1829
E prinoleen.naidoo@cdhlegal.com



Bheki Nhlapho
Associate
T +27 (0)11 562 1568
E bheki.nhlapho@cdhlegal.com

BBBEE STATUS: LEVEL THREE CONTRIBUTOR

Cliffe Dekker Hofmeyr is very pleased to have achieved a Level 3 BBBEE verification under the new BBBEE Codes of Good Practice. Our BBBEE verification is one of several components of our transformation strategy and we continue to seek ways of improving it in a meaningful manner.

This information is published for general information purposes and is not intended to constitute legal advice. Specialist legal advice should always be sought in relation to any particular situation. Cliffe Dekker Hofmeyr will accept no responsibility for any actions taken or not taken on the basis of this publication.

JOHANNESBURG

1 Protea Place, Sandton, Johannesburg, 2196. Private Bag X40, Benmore, 2010, South Africa. Dx 154 Randburg and Dx 42 Johannesburg.
T +27 (0)11 562 1000 F +27 (0)11 562 1111 E jhb@cdhlegal.com

CAPE TOWN

11 Buitengracht Street, Cape Town, 8001. PO Box 695, Cape Town, 8000, South Africa. Dx 5 Cape Town.
T +27 (0)21 481 6300 F +27 (0)21 481 6388 E ctn@cdhlegal.com

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