

EMPLOYMENT ALERT SPECIAL EDITION

FROM MAY 2018

NMW LEVEL

R20/hour

=

R3500/month

FOR EMPLOYEES THAT WORK

40

 hours per week

R3900/month

FOR EMPLOYEES THAT WORK

45

 hours per week

NATIONAL MINIMUM WAGE ON THE WAY - MAY 2018

Deputy President Cyril Ramaphosa announced yesterday that:

"Agreements on measures to strengthen labour stability and collective bargaining and on modalities for the introduction of a national minimum wage" have been signed.

In terms of the agreement on the introduction of a National Minimum Wage (NMW), it has been agreed that the NMW should be implemented as soon as possible but by no later than 1 May 2018. The NMW level will be R20 per hour which amounts to approximately R3,500 per month for employees who work 40 hours per week and approximately R3,900 per month for employees who work 45 hours per week.

Initially domestic workers will be paid 75% of the NMW while agriculture workers will be paid 90% of the NMW. However, the proposal is that within two years of the introduction of the NMW, employees in these sectors will be paid 100% of the NMW.

The Deputy President stated that:

"The social partners have resolved to set the national minimum wage at a level that has a meaningful impact on the wages of the lowest paid workers while minimising any negative impact on employment."

It has been agreed that no business is excluded from the NMW. A business will have the option to apply for an exemption from the NMW if it cannot afford to pay wages at the level of the NMW. Businesses that are exempt will have to pay a percentage of the NMW and the exemptions will only be provided for 12 months at a time.

Employers should prepare for the implementation of the NMW.

Samantha Coetzer and Aadil Patel

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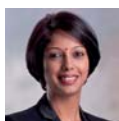
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BBBEE STATUS: LEVEL THREE CONTRIBUTOR

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.

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