

EMPLOYMENT LAW ALERT

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INCORPORATING
KIETI LAW LLP, KENYA

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Proposed national minimum wage equalisation for domestic workers in 2022

2022 marks the first year since the inception of the National Minimum Wage Act 9 of 2018 (Act), that domestic workers may become fully entitled to the national minimum wage (NMW).



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Proposed national minimum wage equalisation for domestic workers in 2022

2022 marks the first year since the inception of the National Minimum Wage Act 9 of 2018 (Act), that domestic workers may become fully entitled to the national minimum wage (NMW).

Under the Act, the minimum wage for domestic workers was initially set at 75% of the NMW in 2020, however the National Minimum Wage Commission (Commission) proposed increasing it to 88% 2021, and 100% in 2022.

The Act defines a “*domestic worker*” as a worker who performs domestic work in a private household and who receives, or is entitled to receive, a wage. Titles include gardeners, drivers, people who take care of children, the aged, sick, frail or the disabled, as well as domestic workers employed or supplied by employment services.

When the Act became effective in January 2019, the NMW applied uniformly to all employees with the exception of domestic and farm workers. The Act established lower minimums for domestic and farm workers with a process of gradual equalisation to the NMW over

time. While farm worker rates were equalised in March 2021 at R21,69 per hour, the hourly minimum wage for domestic workers remained below the NMW.

The Commission is required to review the NMW annually and make recommendations to the Minister of Employment and Labour regarding any proposed adjustment to the NMW. The Commission consists of members nominated by organised business, organised community, organised labour and independent experts in the labour market with knowledge of conditions of employment.

On 17 December 2021, the Commission’s recommendations were published, with an anticipated proposal that the minimum wages for domestic workers be equalised in 2022, with an overall increase to the NMW in line with the consumer price index (CPI) plus 1%.

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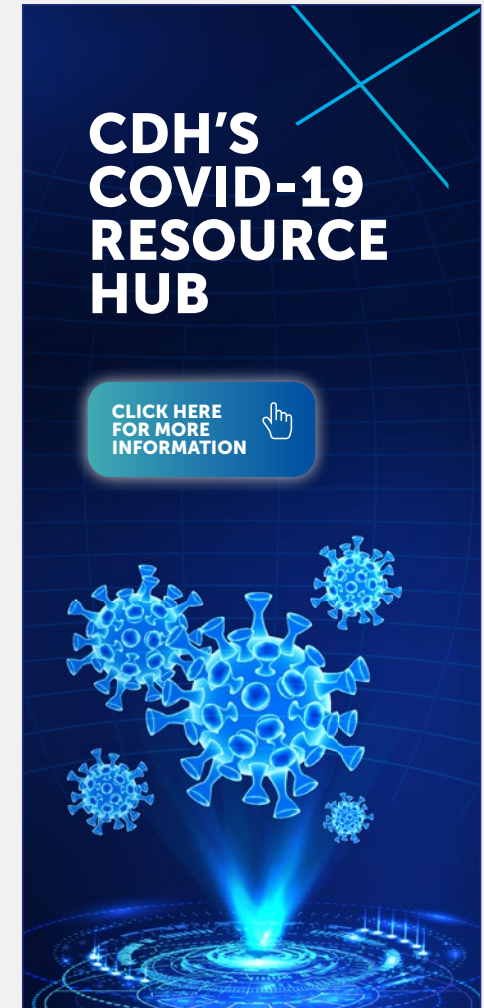
Proposed national minimum wage equalisation for domestic workers in 2022 CONTINUED

Statistics South Africa confirmed the CPI was 5,5% in November 2021, if the CPI remains at 5,5% when the proposed increase takes effect the increase of 6,5% will amount to R23,09 per hour.

The practical impact of the Commission's recommendations is that the minimum hourly rate for domestic workers will increase from R19,09 to R23,09.

The Commission invites the views of the public as it is required to do, and any such submission may be sent to nmwreview@labour.gov.za by 14 January 2022.

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BBBEE STATUS: LEVEL ONE CONTRIBUTOR

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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