

# National minimum wage one step closer to implementation



The Select Committee on Economic Development officially adopted the National Minimum Wage Bill, and related pieces of legislation on Tuesday (7 August).

Chairperson of the Committee, Mandla Rayi, said the committee was happy that the country is making such a progressive step.

“All these efforts are geared to alleviating poverty and fighting inequality. It is even comforting that even opposition parties agree with the spirit of the bill, although they have raised areas of concerns,” Rayi said.

Originally slated for introduction on 1 May, the bill has faced stiff opposition from political parties, unions and civil rights groups, with the complaints focusing on everything from the proposed wage being too high, too low and the time-frames when the amounts should be revised.

This was reiterated by a number of sectors on Tuesday with trade union Numsa notably reiterating their rejection of the proposed bill as deliberations enter their final leg in Parliament.

Providing there are no further setbacks, upon being passed by the National Council of Provinces the bill will be sent to President Cyril Ramaphosa, following which the bill will officially come into law.

Law firm Webber Wentzel had previously outlined the other major must-know points about the bill as follows:

- The NMW bill sets a minimum wage of R20 per ordinary hour worked. This wage will be reviewed within 18 months of the commencement of the NMW Act and will be adjusted within two years of the commencement of the Act.
  - The calculation of a wage is the amount payable to a worker in money for ordinary hours of work. Any payment to enable the worker to work (unless specified otherwise in a sectoral determination), any payment in kind (unless specified otherwise in a sectoral determination) and gratuities, bonuses, tips and gifts are excluded in the calculation.
  - The minimum wage cannot be waived, will take precedence over a contrary provision of a contract of employment, collective agreement, sectoral determination or law and will constitute a term of the employment contract unless the contract of employment, collective agreement or law is more favourable.
  - Farm workers, domestic workers, learners employed in terms of the Skills Development Act and workers on expanded public works programmes have different minimum hourly rates which will apply from a date to be fixed by the President.
  - The NMW Act establishes a National Minimum Wage Commission and provides a procedure for employers to apply for exemption from paying the national minimum wage.
  - Draft regulations have been published for comment dealing with the process to apply for exemption. Exemption may only be granted if the employer cannot afford to pay the minimum wage and after meaningful consultation with every trade union representing affected employees or the affected employee him/herself in absence of a trade union.
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