

Feedback from the NMWC

By Jahni de Villiers

The National Minimum Wage Commission (NMWC) is currently dealing with a number of issues that will impact businesses directly. The first of these has specific relevance for agriculture, in that the NMWC is awaiting a final report on the effects of the national minimum wage on employment for 2019, from the DPRU at UCT. That report is due this month (August).

The main issues that have been dealt with at the last two NMWC meetings are the income threshold of R205 433, where agreement was reached to increase that threshold by inflation on 1 January 2021. This has bearing on the provisions of the Basic Conditions of Employment Act (BCEA) calculating ordinary hours of work, overtime, compressed working week, averaging of hours of work, determination of hours of work by the Minister of Employment and Labour, meal intervals, daily and weekly rest periods, pay for work on Sundays, night work (Section 17(2) deals with transport and night shift allowances), public holidays (Section 18(3) that deals with payment for work on a public holiday that falls on a day on which the employee would ordinarily not have worked).

Furthermore, the special dispensation between the national minimum wage and the wages of domestic workers and farmworkers comes to an end in December 2020. Certain constituencies would like an immediate phase-in to the national minimum wage for these two sectors. Others have proposed a phase-in of two years for farm workers and three years for domestic workers. The business constituency believes that the longer the phase-in period, the less effect it will have on jobs and have positioned that with the commission.

It is clear that the NMWC does so much more than managing the NMW, even though that is a core mandate of the NMWC. Minimum standards of employment affects all businesses in some way and lack of information can at times hinder adherence to such standards. Communication is key to ensure that businesses know what is expected of them, and continue their work in a legal and ethical way.