

An abstract artwork featuring a central brown, textured figure that resembles a person or a mask. The figure is surrounded by various colorful geometric shapes, including circles, triangles, and squares, arranged in a grid-like pattern. The background is composed of vertical bands of horizontal lines in various colors, creating a complex, layered effect. The overall style is reminiscent of traditional African or indigenous art.

# 2019 Bargaining Indicators

# Conditions of Employment

## Hours of Work per Week:

Section 9 of the Basic Conditions of Employment Act (BCEA) stipulates that an employer may not require or permit an employee to work more than 45 hours in a given week.

Workers covered by collective agreements attained an average of 45 hours' work per week, Sectoral determination had the most hours of work, at 45 hours per week.

## ALLOWANCES

### Night Shift allowance as % of basic wage:

In terms of section 17 of the BCEA, any work performed after 18:00 and before 06:00 the following day is considered night work. An agreement is required between the employer and employee in this regard. An agreement between an employer and an employee to generally work shifts would not meet the requirement of the BCEA unless such an agreement specifically makes mention of working night shifts and the employee is aware of such a requirement.

Subsection 2 (b) of the BCEA require employers to make sure that transportation is available between the employee's place of residence and the workplace at the commencement and conclusion of the employee's shift. Collective agreements provided a median of 12.8% night shift allowance as a % of basic wage.

### Shift allowance as % of basic wage:

Shift allowance differs from night shift work. Shift work requires employees to work evening shifts, early morning shifts and rotating shifts. Hence night shift is any work performed after 18:00 and before 06:00 the following day. Collective agreements provided a median shift allowance of 10 % of basic wage.

### Acting allowance as a % of basic wage:

In order to qualify for the acting allowance, the staff member is required to assume responsibility for the full range of duties of the vacant position in which he or she is acting. The acting allowance

shall be calculated at % of the acting employee's current total package, and is non-pensionable. Collective agreements showed a median acting allowance of 10% of basic wage.

### Standby allowance as % increase:

Standby allowances are not regulated by the BCEA and must be negotiated between the employee/employer. Standby allowances will also depend on the sector that you are operating in, that is, bargaining council agreements and collective agreements. If there is no collective agreement or bargaining council agreement, it is up to the employer to decide. Collective agreements showed a median standby allowance of 8.5% basic wage.

### Transport allowance in Rands:

A travel allowance is a payment made to an employee to cover expenses when he or she travels for work. This money might be used to cover things like accommodation, food, drink and incidentals. An allowance may be paid to an employee before or after they travel. If an allowance is paid to an employee before they travel, the employee does not need to use all of the allowance.

Collective agreements showed a median transport allowance of R128 per month.

### Long service award in Rands:

Long service awards are a great way to thank your employees for their hard work and loyalty to your company. Every business needs employees to function, and having a great team that is willing to go the extra mile is something that is definitely worth celebrating.

Collective agreements provided a median of R809 for completing five years' service.

### Housing benefits in monthly Rands:

Housing allowance is a very important element of an employee's working life, particularly now that the rates of house rents have appreciably gone up. Collective agreements provided a median of R1538 per month housing allowance.

## LEAVE

### Annual leave in working days per annum:

Section 20 of the BCEA defines annual leave as cycle period of 12 months' employment with the same employer immediately following an employee's commencement of employment; or the completion of that employee's prior leave cycle. An employer must grant an employee at least 21 consecutive days' annual leave on full remuneration in respect of each annual leave cycle; or by agreement, one day of annual leave on full remuneration for every 17 days on which the employee worked or was entitled to be paid. Collective agreements provided a median of 15 days annual leave per annum.

### Duration of maternity leave in consecutive months:

Pregnant women are entitled to four months of maternity leave, which starts at one month before their due date (Section 25 of the BCEA). However, there are exceptions to this rule for some categories of work, including emergency work, workers in senior management and those who work less than 24 hours a month. Entitlements include at least four consecutive months of maternity leave. Workers may not go back to work within six weeks of giving birth unless this is agreed by the doctor or midwife. Mothers who are pregnant or nursing may not do work which is unsafe for their child. Collective agreements provided a median of four months maternity leave.

### Duration of paid maternity leave in consecutive months:

It is not a requirement that employers pay workers during maternity leave. However, some companies may offer maternity benefit packages, which can be claimed from the Unemployment Insurance Fund (UIF). Collective bargaining agreements provided a median of 4 months paid maternity leave.

### Maternity pay as a % of basic wage:

It is not a requirement that employers pay workers during maternity leave. However, some companies may offer maternity benefit packages, which can be claimed from the UIF. Collective agreements provided a median of 45% of basic wage.

### Sick leave in days per annum:

Section 22 of the BCEA states workers may take the number of days they would normally work in a 6-week period for sick leave on full pay in a 3-year period. However, during the first 6 months of employment, workers are only entitled to 1 day of paid sick leave for every 26 days worked. Collective agreements provided a median of 12 sick leave in days per annum.

### Duration of paid compassionate leave in days per annum:

Compassionate leave is part of family responsibility leave as stipulated in the BCEA. Some collective agreements showed a separation of compassionate leave from family responsibility leave. For example, bilateral agreements recorded 5 days paid compassionate leave per annum.

### Duration of paid paternity leave in days per annum:

The BCEA and the Labour Relations Act (LRA) makes provision for Dad to take paternity leave when his child is born. Subsection 2 under section 27 states that an employer must grant an employee - during each annual leave cycle and at the request of the employee, - three days' paid leave, which the employee is entitled to take when the employee's child is born. Collective agreements provided a median of 4 days paid paternity leave per annum.

### Shop stewards leave in days p/a (Paid):

Shop stewards who are also Union officials and are elected to represent members in bargaining units that qualify in terms of the Recognition Agreement may be granted paid time-off. Collective agreements showed a median of 10 days paid shop steward leave per annum.

### Evidence of provident fund-employer contribution as % of basic

Provident Fund is set up to provide an income for a member on retirement or an income for their dependants if the member dies.

About 65% wage agreements provided evidence of employer contribution to provident fund.

### Severance pay - no. of weeks per year of service

Operational requirements means requirements based on the economic, technological, structural or similar needs of an employer. Section 41 (2) stipulate that an employer must pay an employee who is dismissed for reasons based on the employer's operational requirements or whose contract of employment terminates or is terminated in terms of section 38 of the Insolvency Act, 1936 (Act No. 24 of 1936) severance pay equal to at least one week's remuneration for each completed year of continuous service with that employer, calculated in accordance with section 35. Collective agreements provided a median of 1 week severance pay in case of retrenchments.

### **Evidence of extension of normal benefits to fixed and short term employees:**

The Department of Labour proposed an amendment to the BCEA to address labour brokering. The department wants employers to contribute equal or similar benefits for fixed term contract and permanent workers. Sectoral determinations may prohibit or regulate the placement of employees by temporary employment services, sub-contracting and contract work;

Minister may publish sectoral determinations covering employers and employees who are not covered by other determinations. About 8% of collective agreements provided evidence of extension of normal benefits to fixed- and short-term employees.

### **Evidence of policies with regards to labour brokers:**

Labour brokering is a form of providing labourers or job seekers to client companies on a temporary basis. The workers work at the client workplace, but are employed by the labour brokers, not the client. What does that mean? Firstly, the labour broker will be liable for the payroll and other issues related to payroll such as leave and taxes. Secondly, there will be more flexibility on the side of the employer (client) as he/she can get and remove workers quickly without enduring high cost. Workers are unable to join trade unions and those who challenge management can be quickly replaced.

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Minister may publish sectoral determinations covering employers and employees who are not covered by other determinations (DOL labour law amendments: Public Consultation presentation). About 28% of collective bargaining agreements provided evidence of policies dealing with labour brokers in the workplace.

### **Evidence of employer provision of- or contribution to- medical/health cover.**

Medical aid is imperative as it provides employees with health benefits such as an unexpected medical cost. About 64% of collective agreements showed employer contribution to medical aid.

### **Evidence of practical measures to raise awareness.**

Companies need to adopt a policy that will support awareness systems that will encourage workers to do early testing and lifestyle changes that will thereby reduce and prevent further infection. About 9% of collective agreements showed evidence of practical measures to raise awareness.

### **Evidence of practical measures to provide Voluntary Counselling and Testing:**

This is an important support structure that the company needs to initiate for its employees as to identify those workers who need care. About 3% of collective agreements showed evidence of practical measures to provide voluntary counselling and testing.

### **Evidence of practical measures to promote confidentiality.**

About 3% of collective agreements showed evidence of practical measures to promote confidentiality.

### **Evidence of practical measures to provide access to treatment:**

About 3% of collective agreements showed evidence of practical measures to provide access to treatment.

### **Evidence of implementation of learnerships:**

Workers or students on learnerships can still earn an income while enhancing their skills in the immediate working environment. This will ultimately enhance their career prospects. Learnerships provide an opportunity for further learning and obtaining a recognised qualification that can be transferred from one workplace to another. Only 5% of collective agreements showed evidence of implementation of learnerships.

### **Evidence of implementation of other skills development initiatives:**

Skill development is imperative to the workplace as it empowers workers and is a driving force to the economic growth and social development in the country. Trade unions need to focus and make sure that companies implement skills development initiatives to change or improve their members' earnings and education.

Only 6% of collective agreements showed evidence of implementation of other skill development initiatives while sectoral determinations did not show clauses that talk to skill development.

### **Evidence of funeral assistance or benefits:**

The purpose of funeral benefits is to help pay the funeral costs when a member or pensioner passes away. Funeral benefits are also paid out on the death of workers next of kin who are covered by the benefits. About 87% of collective bargaining agreements showed evidence of funeral assistance or benefits.

# Conclusion

The report has tried to capture key results in terms of nominal and real median minimum wages and wage increases, and conditions of employment of the collective bargaining processes undertaken by trade unions for the period of 2017 to 2018 in different industries. The report shows that industries' median minimum wages have increased from 2017 to 2018. The highest median minimum wage increase was found in the electricity industry and lowest median minimum wage was recorded in the agriculture industry from 2017 to 2018.

Given the above economic climate, trade unions secured higher wage settlements of above average inflation rate. However, these gains were disrupted by the job losses/retranchments experienced by different industries or sectors in 2017-2018.

Sectoral determination minimum wages were very low. This is where most vulnerable or unorganised workers are employed. We can therefore conclude that there is wage inequality between different sectors as indicated by the graphs of the different industries.

Unions are encouraged to use accurate and updated inflation and wage figures when preparing for and going into wage negotiations. Such information enables negotiators to negotiate wages that are above inflation and do not relate to an actual decrease in wages.

Non-wage benefits play an important role in the employment relationship for many workers, yet when it comes to the bargaining table they are used as a trade-off chip to get higher wage increases. As illustrated by the report, there's little change or no changes when it comes to non-wage benefits except in individual collective agreements.

Strength of the unions comes from members and therefore unions need to negotiate more economic issues that affect workers rather than be entangled in political dynamics.

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# Appendix

## Snapshot of median conditions of low wage employment in the informal economy 2018

Median Minimum Wage	R4 812
Ordinary hours of work per week	45 hours
<b>ALLOWANCE</b>	
Night shift allowance as % of basic wage	12.8%
Shift allowance as % of basic wage	10%
Acting allowance as % of basic wage	15%
Standby allowance as % of basic wage	8.5%
Transport allowance in Rands	R128 per month
Long Service Award in % or Rands	R809 (Five years' Service)
Housing allowance in Rands	R1538 per month
<b>LEAVE</b>	
Annual leave in working days per annum	15 Days
Duration of maternity leave	4 months
Duration of paid maternity leave	4 months
Maternity pay as a % basic wage	45%
Duration of paid paternity leave	3 days
Duration of paid family responsibility leave	4 days
Duration of paid compassionate leave	5 days
Shop stewards leave in days p/a (Paid)	8 days
Sick leave in days per annum	12 days
<b>MATERNITY BENEFITS</b>	
Evidence of extension of maternity benefits to fixed and short term employees	2% of agreements
Evidence of employer contribution to maternity pay over and above UIF entitlement.	2% of agreements
Evidence of commitment by employer to pay employee in terms of maternity leave prior to or during maternity leave and to claim against UIF after the fact.	3% of agreements

# KNOWLEDGE IS TOO IMPORTANT TO LEAVE IN THE HANDS OF THE BOSSES.

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