



Knowledge is too important to leave in the hands of the bosses.

Wage Outcomes | 2022

Minimum wages

Data sources

LRS Actual Wage Rates Database (AWARD) - AWARD is a repository for minimum wages in all sectors of the economy. This report only considers minimum wages in low occupations within the sector under review.

Estimated coverage: an estimated 863 000 workers are covered by the national minimum wage.

Wage category: the category of workers used is generally a minimum entry-level wage or the lowest wage in the sector.

DEFINITIONS

Cash wage or nominal wage: This is the amount of money that an employer pays a worker, for example, if a worker earns R3 500 per month then that is the worker's cash wage.

Consumer Price Index: CPI measures the change over time in the general price level of goods and services that households buy to sustain themselves.

Median wage: A median wage is a boundary between what the highest 50% of workers are paid and what the lowest 50% of workers are paid. Thus, if the median wage in South Africa is R3 033, this means that 50% of workers earn above R3 033 and 50% are paid below this amount.

Minimum wage: is the lowest wage (entry-level) permitted by law or a negotiated collective agreement.

Real wage: This refers to the value of the wage in terms of what it can buy, that is, the purchasing power of the wage. It is called a real wage because it has taken into account the effects of rising prices (inflation) on workers' wages.

COE: Conditions of Employment

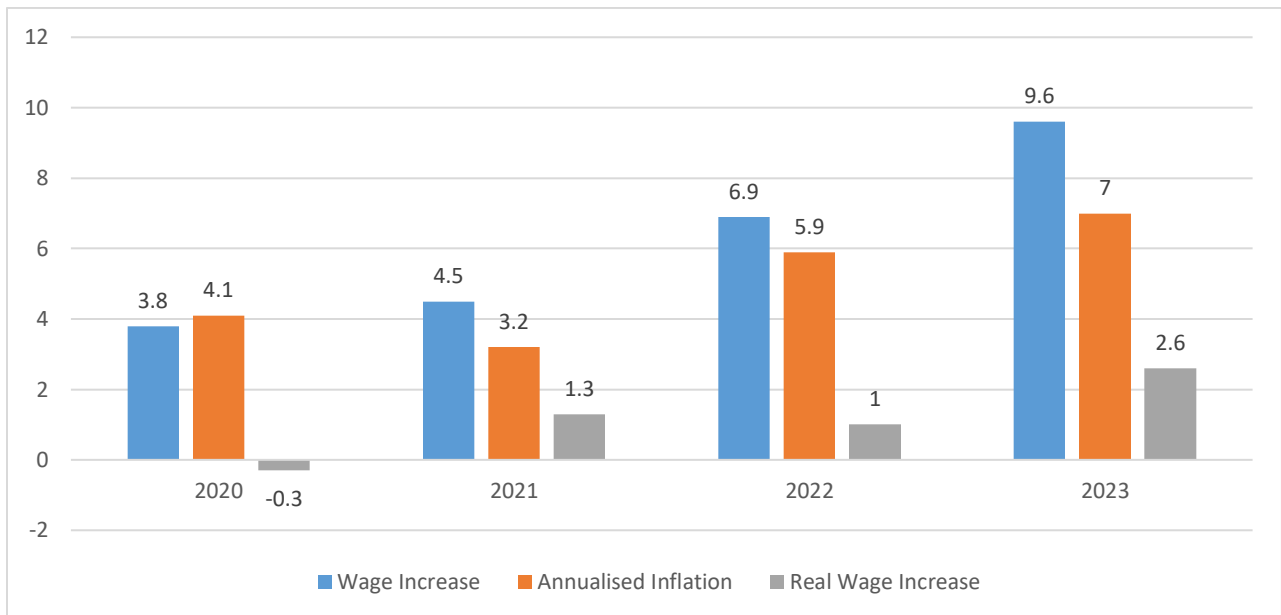
NMW: National Minimum Wage

WAGE OUTCOMES

National minimum wage increases

Figure 1 shows median settlement levels between 2020 and 2023. It also tracks inflation and real wage increases over the period. The wage increase was 3.8% in 2020. If we consider the annualised inflation rate of 4.1%, workers gained a real median wage of -0.3%. In 2023, the wage increase was 9.6%. If we consider the annual inflation rate of 7% (February inflation), workers gained a median real wage increase of 2.6%. Wage increases were below the annualised inflation rate in 2020. The price of goods and services rose faster than wages, and workers covered by the NMW bought less with their income. From 2021 to 2023, the NMW increase was above inflation, which translated to real wage increases of (1.3%) in 2021, (1%) in 2022 and (2.6%) in 2023.

Figure 1: Wage Increases, Average Inflation, and Real Wage Increases | 2020-2023 (%)

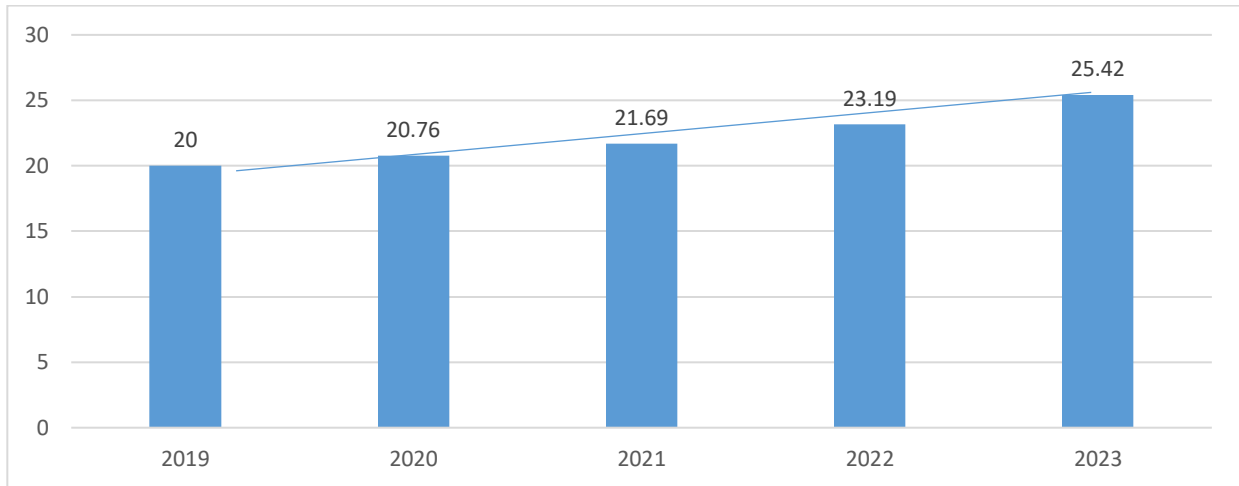


Source: LRS Actual Wage Rates Database

National Minimum Wage

Figure 2 shows that nominal minimum wages for bus cleaners in the SARPBC agreement increased from R20 per hour in 2019 to R25.42 per month in 2023. This translated to an increase of R5.42 (27.1%) or R0.90 per year over six years.

Figure 2: South African national Minimum Wage | 2019-2023 (Rands/Hour)

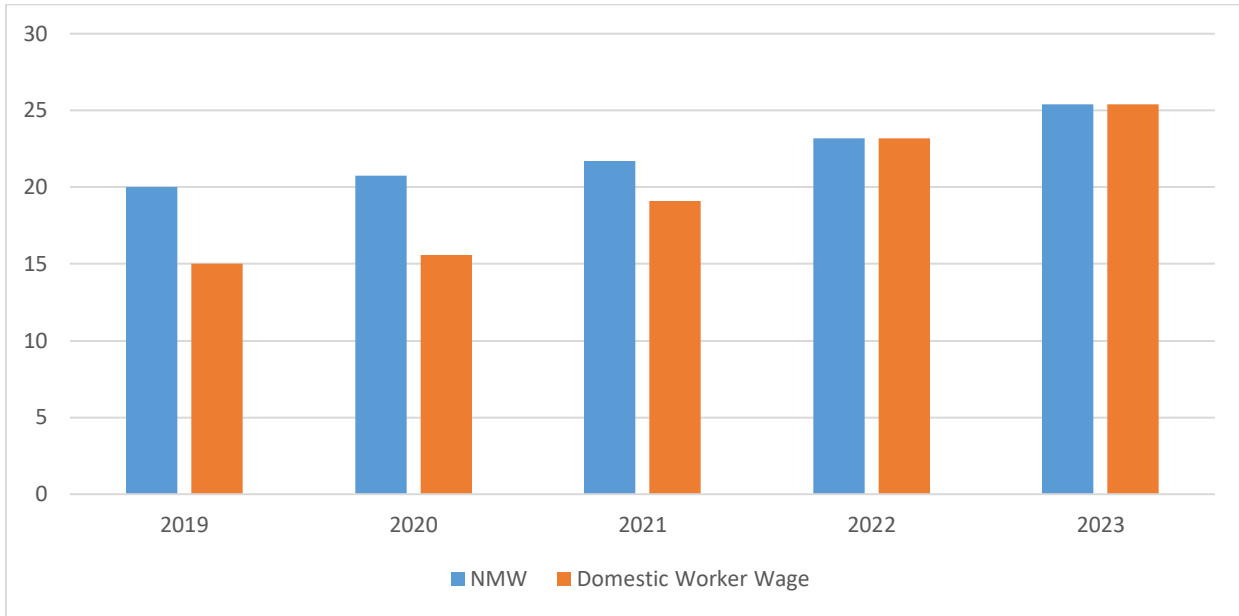


Source: LRS Annual Wage Rates Database

National Minimum Wage And Domestic Worker Wages

Figure 3 shows that the domestic worker wages were lower than the NMW in 2019 and 2020. But in 2021, the wages of domestic workers increased by a high percentage point to prepare for equalisation in 2022. The graph also shows that the NMW and domestic workers' minimum wages increased from 2019 to 2023.

Figure 3: NMW and Domestic Worker Minimum Wage | 2019-2023



Source: LRS Actual Wage Rates Database

Table 1: Minimum Wage Rates Set by Bargaining Councils | 2022

Bargaining Council	Monthly Wage 2022
Clothing Group B (Bloemfontein, Kimberly & Kroonstad) Clothing	4111
Laundry, Cleaning & Dyeing Non-Commercial (Natal)	4276
BIBC-Northwest Boland Area C	4336
Electrical Area G	4411
Furniture Manufacturing (KZN) Magisterial District of Lower Tugela	4418
Furniture Manufacturing (Johannesburg)	4418
Fast Food, Restaurant, Catering & Allied Trades (Employers with 10 or less employees)	4434
Food Retail, Retail, Catering & Allied Trade Area B	4519
Hairdressing & Cosmetology Trade (Kimberley) Division 103 Kimberley	4522
Textile (Home Textile)	4676
Sawmilling Sector (NBCWPS)	4714
Recycling & Wash Plant Section of the Manufactured Fibre Subsector	4770
MIBCO Sector 4,5 & 7 Only Other Areas	4796
Meat Trade Gauteng	4782
Restaurant, Catering and Allied Trades Wits	4820
Laundry, Cleaning & Dyeing D/C (WC)	4830
Fishing (Inshore)	4845
Textile (Blanket) Urban Areas	4904
Bargaining Council for Contract Cleaning Durban,Pinetown,Inanda & Chatsowrths	4984
National Barganing Council for the Private Security Sector (Area 3)	5025
Textile (Blanket) Isithebe Area	5027
Textile (Braiding)	5190
Clothing Group A (Millinery)	5247

MEIBC (Construction Site)	5336
Clothing Group B (Garment Knitting)	5407
Leather (General Goods & Handbags)	5435
Fishing Deep sea	5994
BIBC-Cape Peninsula Area A	6160
Grain Co-Operative GWK	6400
Textile (Accessories)	6560
Textile (Woven Crochet)	7161
Glass (NBCCI)	7346
Textile (Non-Woven Textile)	7389
Petroleum (NBCCI)	7539
National Bargaining Council Road Freight Logistical Industry (NBCRFLI)	7640
Canvas Goods BC	7728
Leather (Tanning)	7780
Textile (Woven Cotton)	7882
South Africa Road Passenger Bargaining Council (SARPBC)	8351
Leather industry National BC (Footwear)	8374
FMCG (NBCCI)	8392
Sugar Manufacturing & Refinering (Illovo) Umzimkulu	8590
Civil Engineering	8727
Motor Ferry Industry BC	8838
Industrial Chemicals (NBCCI)	8892
Textile (Carpet)	8929
South African Local Government Bargaining Council (SALGBC)	9043
Textile (Fibre)	9222
PSCBC	9334
MEIBC General Structure	9642
Pharmaceutical (NBCCI)	9770
Textile (Wool & Mohair Processing)	10117
Transnet SOC Limited	10610
New Tyre Manufactures Bargaining Council	16065

Source: LRS Actual Wage Rates Databases

SNAPSHOT OF CONDITIONS OF EMPLOYMENT FOR DOMESTIC WORKER SECTOR | 2022

Overtime

Overtime is voluntary and employer (s) cannot force a worker to work overtime. A domestic worker may not work more than 15 hours overtime per week, and more than 12 hours on any day, including overtime.

Overtime payment

An employer must pay a worker who works overtime one and half times the employee's normal wage or an employee may agree to take paid time off.

Daily and weekly rest periods

A domestic worker is entitled to a daily rest period of twelve consecutive hours and weekly rest period of thirty-six consecutive hours, which must include Sundays, unless otherwise agreed between the parties.

Standby allowance

Means any period between 8 p.m. and 6 a.m. when a domestic worker is needed to be at the workplace and is allowed to rest or sleep but must be available to work if necessary. This may only be done if you and your employer have agreed in writing and not more than five times per month. An allowance of at least R20 per shift must be paid for standby. An employer must pay a domestic worker for any time worked more than three hours during any period of stand-by. The employee must be paid at the normal overtime rate or given paid time-off.

Night work

Nightwork means work performed after 6 p.m. and before 6.a.m. Nightwork is allowed only if the domestic employee has agreed to this in writing. The employee must be compensated by an allowance of at least 10% of the ordinary daily wage.

Meal intervals

A domestic worker is entitled to a one-hour break for a meal after five hours continuous work. The interval may be reduced to 30 minutes by agreement. When a second meal interval is required because of overtime worked, it may be reduced to not less than 15 minutes. If an employee must work through his or her meal interval, then they must be paid for this.

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Work on Sundays

Work on Sundays is voluntary, and a domestic employee cannot be forced to work on a Sunday.

A domestic worker who works on a Sunday must be paid double the daily wage.

If the employee ordinarily works on a Sunday, he/she should be paid one and a half times the wage for every hour worked. If both the employer and employee agree, the employee can be paid by giving her / him time off one and a half hours off for each overtime hour worked.

Annual leave

Full time domestic workers are entitled to 3 weeks leave per year. If the employer and employees agree they can take leave as follows: 1 day for every 17 days worked or one hour for every 17 hours worked. The leave must be given not later than six months after completing 12 months of employment with the same employer. The leave may not be given at the same time as sick leave, nor at the same time as a period of notice to terminate work.

Sick leave

During the first six months of employment, an employee is entitled to one day's paid sick leave for every 26 days worked. During a sick leave cycle of 36 months, an employee is entitled to paid sick leave that is equal to the number of days the employee would normally work during a period of 6 weeks. The employer does not have to pay an employee if the employee has been absent from work:

- for more than two days in a row, or
- on more than two occasions during an 8-week period

Parental leave and adoptive parental leave - Domestic workers are entitled to ten consecutive days parental leave from birth or adoption day of their child. (*PASSOP 2022*)

CONCLUSION

The increase in the NMW wage will be below the annualised rate of inflation in 2020, but above the rate of inflation from 2021 to 2023. Between 2019 and 2023, the minimum wage for domestic workers increased by R5.42. The majority of the conditions of employment in the sector are in line with the BCEA. Workers in the sector will benefit from knowing their rights through the snapshot provided.

REFERENCES

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