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Increase to National Minimum Wage & Annual Earnings Threshold effective 01 March 2022

On 07 February 2022 Employment and Labour Minister Thulas Nxesi announced an increase to both the National Minimum Wage and the Annual Earnings Threshold effective from 01 March 2022.

National Minimum Wage

The National Minimum Wage (NMW) payable for each ordinary hour worked has increased from R21,69 to R23.19 for the year 2022. The NMW is the amount payable for ordinary hours worked and excludes payments of allowances (such as transportation, tools, food, or lodging), payments in kind (board or lodging), tips, bonuses, and gifts.

As in previous years, the adjustment provides exceptions for the following worker groups:

- Farmworkers are entitled to a minimum wage of R23.19 per hour;
- Domestic workers are entitled to a minimum wage of R23.19 per hour;
- Workers employed on an expanded public works programme are entitled to a minimum wage of R12.75 per hour, and
- Workers who have concluded learnership agreements contemplated in section 17 of the Skills Development Act 97 of 1998, are entitled to allowances contained in schedule 2.

Annual Earnings Threshold

The Annual Earnings Threshold has been increased from R211 596.30 to R 224 080.38 per annum.

Employees earning more than R224 080,48 per year are exempt from the follow sections of the Basic Conditions of Employment Act (BCEA):

- Section 9: Ordinary Hours of Work
- Section 10: Overtime
- Section 11: Compressed Working Week
- Section 12: Averaging of Hours of Work
- Section 14: Meal Intervals
- Section 15: Daily and weekly rest period
- Section 16: Pay for Work on Sundays
- Section 17(2): Night Work



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– Section 18(3): Public Holidays

These sections protect vulnerable employees by regulating, *inter alia*, working hours, overtime, compressed schedules, average hours of work, meals interval, daily and weekly rest periods, pay for work on Sundays, night work, and work on public holidays. As such, all employees earning under the annual earnings threshold as at 01 March 2022 will have the full protection of every section of the BCEA.

09 February 2022