



Change to the earnings threshold could affect you

Description

The new annual earnings threshold for South Africa went into effect on 1 March 2023, and it's critical that all employees are informed of this. This will result in many people losing the automatic protections provided by the Basic Conditions of Employment Act (BCEA).

According to legal experts, employees who make more than the new threshold, which has been set at R241 110.59 annually, or nearly R20 092 per month, will not be covered by some BCEA rules. Ordinary hours of work, overtime, compressed workweeks, average hours worked, meal breaks, daily and weekly rest periods, Sunday pay, compensation for night work, and pay for work on public holidays are just a few of the rules that fall into this category.

The number of people who are not covered by the BCEA will increase as a result. Since this change may have a substantial impact on your income expectations, especially if you put in a reasonable amount of overtime or work on the weekends or at night, it is crucial to understand the ramifications.

Moreover, under the BCEA, employees who earn more than the earnings threshold are exempt from the restrictions relating to fixed-term employment. These clauses specify that, unless there are good grounds for determining the term of their contract, fixed-term employees who have been employed for three months or more are deemed to be employed indefinitely.

Under the Employment Equity Act, employees who earn above the earnings threshold and have a dispute related to unfair discrimination under Chapter II of the Act cannot refer the dispute to the CCMA for arbitration. This is unless the dispute pertains to alleged unfair discrimination based on sexual harassment, or all parties involved agree to arbitration.

Employees must instead file the dispute with the Labour Court for adjudication. The purpose of these Acts is to protect vulnerable employees and regulate various aspects of employment, including working hours, overtime, work during weekends, lunch breaks, and labour disputes. Employees have the right to request overtime pay at a rate of 1.5 times their regular pay and lawfully reject requests to work more than 45 hours per week.

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