

WORKPLACE STRATEGIES

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Changes to the BCEA Threshold

The following is an important notice that affects all South African employers.

One of the objectives of the Basic Conditions of Employment Act (BCEA) is to regulate working time. To achieve that objective, the BCEA includes provisions that place restrictions on hours of work and that give employees entitlements such as minimum rest periods and allowances for night work.

However, those provisions do not apply to all South African employees. The BCEA expressly excludes employees who earn in excess of a remuneration threshold. Since March 2003, that remuneration threshold has been set at R115 572 per annum (or R9 631 per month).

The Minister of Labour has recently announced a change to the remuneration threshold. From 1 March 2008, only employees earning more than R149 736 per annum (R12 478 per month) will be excluded from the aforementioned working time provisions.

What Does This Mean?

The change to the remuneration threshold is good news for some employees and bad news for employers.

For example, an employee earning a gross amount of R11 000 per month was previously over the remuneration threshold and therefore had no statutory entitlement to overtime payments. However, with the change to the threshold, that employee is no longer excluded and now qualifies for not only overtime payments (usually 150% of ordinary earnings) but additional statutory entitlements such as:

- a daily rest period of at least 12 consecutive hours and a weekly rest period of at least 36 consecutive hours;
- an allowance if they perform 'night work' (after 1800hrs and before 0600hrs); and
- payment for work performed on public holidays.

If you would like more information on this important legislative change, contact Paul Cooley on 076 299 7807 or paul@workplacestrategies.co.za

Workplace Strategies is a consultancy based in Cape Town that assists organisations with workplace issues.

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