EMPLOYMENT

Earnings threshold increase for 2022

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Annual earnings threshold increase for 2022

The Basic Conditions of Employment Act 75 of 1997 ("BCEA") empowers the Minister of Employment and Labour to make determinations, from time to time, regarding an earnings threshold.

The effect of such determinations is that employees earning in excess of the threshold amount stipulated in the determination are excluded from relying on numerous protections in the BCEA.

On the other hand, employees earning below the earnings threshold enjoy protections in the BCEA relating to the regulation of ordinary hours of work, overtime, compressed working weeks, averaging of hours of work, meal intervals, daily and weekly rest periods, pay for work on Sundays, pay for night work and public holidays.

They also enjoy some protections in the Labour Relations Act 66 of 1995 relating to the regulation of non-standard employment (for example: employees who work for the client of a temporary employment service or labour broker; and employees who are employed on fixed-term contracts). Additionally, employees or workers earning below the threshold amount may refer claims for non-payment in terms of section 73A of the BCEA to the CCMA.

With effect from 1 March 2022, the earnings threshold has been increased by the Minister to R224 080.48 per annum (which amounts to R18 673.37 per month).
Before this increase, the previous earnings threshold was R211 596.30 (or R17 633.03 per month).

It is important to note that the word "earnings" as it applies in this context means an employee's regular annual remuneration before deductions (such as income tax, contributions to a pension/provident fund and/or medical aid scheme and similar payments), but excludes similar contributions made by the employer in respect of the employee. Further exclusions in this regard include subsistence and travel allowances, achievement awards and overtime.

Dakalo Singo

Head of Pro Bono

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