

EMPLOYMENT

Increase to BCEA earnings threshold

9 February 2021 2 min read

by Jacques van Wyk, Director; Andre van Heerden, Senior Associate; and Thabisa Yantolo, Candidate Attorney

On 8 February 2021 the Minister of Employment and Labour, Thembelani Waltermade Nxesi, published a Government Gazette^[1] providing for the increase of the earnings threshold, as provided for in the Basic Conditions of Employment Act 75 of 1997 ("BCEA"). The new earnings threshold will be R211,596.30 per annum with effect of 1 March 2021.

'Earnings' is defined as *"the regular annual remuneration before deductions i.e. income tax, pension, medical and similar payments but excluding similar payments (contributions) made by the employer in respect of the employee: Provided that subsistence and transport allowances received, achievement awards and payments for overtime worked shall not be regarded as remuneration for the purpose of this notice."*

Employees who earn in excess of the threshold are excluded from certain provisions of the BCEA such as those relating to ordinary hours of work (section 9), overtime (section 10), compressed working weeks (section 11), averaging hours of work (section 12), meal intervals (section 14), daily and weekly rest periods (section 15), pay for work on Sundays (section 16), pay for night work (section 17(2)) and pay for public holidays where the employee works on a day he/she would not ordinarily work (section 18(3)).

[1] Gazette Number: 44137. Notice No: 77.



Andre van Heerden

Director

[View Profile](#)



Jacques van Wyk

Director

[View Profile](#)