



Workplace Bulletin



INCREASE IN THE MINIMUM WAGE OF YOUR DOMESTIC WORKER EFFECTIVE 01 DECEMBER 2016

Before we look at the new minimum wage for Domestic Workers we would like to give some context to the interpretation of the minimum wage to ensure that employers know how to calculate and compare their current wages to the required minimum wage.

The interpretation of wages must always be calculated by reference to the ordinary hours of work.

Ordinary hours of work refers to stipulated hours as per Sectoral Determination 7 as follows namely;

- 45 hours in any week (this excludes lunch time which exceeds 30 minutes or more)
- 9 hours on any day if the domestic worker works for five days, and
- 8 hours in any day if the domestic worker works on more than five days in any week

When the employer wants to compare the minimum wage to the current wage paid to the domestic worker the ordinary hours should be used and we will look at one example below to explain the concept.

For the purposes of any calculation in terms of this determination –

To explain the concept we calculate the current hourly rate and compare it to the new hourly minimum wage;

Example –

A. You live in Area A and your domestic worker earns R150 per day and works from 08h00 until 16h30 with a 15 minutes tea break and 30 minutes lunch break;

- Total hours : 8 hours 30 minutes less 30 minutes lunch time = 8 ordinary hours per day
- $R150 / 8 \text{ hours} = R18.75$.

NOW – there are 3 situations that can apply to you i.e.

- She works 3 day per week for you, (less than 27 hours per week)
 - She works 4 days per week for you, (more than 27 hours per week)
 - She works 5 days per week.
- The new minimum wage per hour for Area A is;
 - R12.42 where she works more than 27 hours per week, and
 - R14.54 where she works less than 27 hours per week
 - In any of the scenarios above you are within the parameters and you are complying with the new minimum wage.

WARNING - employers who require employees to work longer hours or where employees work on Saturdays and Sundays and have week-ends off must be very careful when calculating the current hourly rates since factors such as overtime and even work on Sundays come into play. Comparing what you are paying your domestic worker as a monthly wage to the new minimum wage can be troublesome.

Example

- B** - You live in Area A and your domestic worker earns R3 200 per month,
- She works Monday to Friday from 08h00 until 16h30 with a 15 minutes tea break and 30 minutes lunch break
 - Saturdays and Sundays from 08h00 to 13h00
 - One weekend off per month

Calculation –

- Hours per week – 8 hours Monday to Friday x 5 x 4.33 = 173.2 / month
- Saturday – 5 hours x 3 = 15 hours / month
- Total ordinary hours per week = 188.2 hours
- Sunday hours – 5 hours x 3 = 15 hours

Because hours worked on a Sunday is paid at double the ordinary hourly rate you multiply the Sunday hours by 2 and in this example it is 30 hours. Now add the normal Monday to Friday hours (188.2 + 30 Sunday hours) = 218.2.

Now divide the monthly wage of R 3 200 / 218.2 = R 14.665 which is more than the minimum hourly wage of R 12.42.

Our experience is that employers who employ a domestic worker for only one or two days per week are under the impression that the prescribed minimum wages do not apply to them.

WRONG – there are two categories namely;

- Employees who work **27 ordinary hours per week or less**, and
- Employees who work more than 27 hours per week.

The new sectoral determination of domestic workers prescribes that the minimum wages for domestic workers who work more than 27 ordinary hours per week will earn as follows:

- **Area A (those in major metropolitan areas)** will earn;
 - Hourly - R12.42
 - Weekly - R559.09
 - Monthly - R2422.54

- **Area B (those not mentioned in Area A)**
 - Hourly - R11.31
 - Weekly - R508.93
 - Monthly R2205.17



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While the Minimum wages for **domestic workers who work 27 ordinary hours per week or less** is as follows:

- **Area A (those in major metropolitan areas)** will earn;
 - Hourly - R14.54
 - Weekly – R392.58
 - Monthly – R1701.06

- **Area B (those not mentioned in Area A)**
 - Hourly – R13.53
 - Weekly – R360.54
 - Monthly R1562.21

In terms of Sectoral Determination **Area A** includes: Bergrivier Local Municipality, Breederivier Local Municipality, Buffalo City Local Municipality, Cape Agulhas Local Municipality, Cederberg Local Municipality, City of Cape Town, City of Johannesburg Metropolitan Municipality, City of Tshwane Metropolitan Municipality, Drakenstein Local Municipality, Ekurhuleni Metropolitan Municipality, Emalahleni Local Municipality, Emfuleni Local Municipality, Ethekwini Metropolitan Municipality, Gamagara Local Municipality, George Local Municipality, Hibiscus Coast Local Municipality, Karoo Hoogland Local Municipality, Kgatelopele Local Municipality, Khara Hais Local Municipality, Knysna Local Municipality, Kungwini Local Municipality, Kouga Local Municipality, Langeberg Local Municipality, Lesedi Local Municipality, Makana Local Municipality, Mangaung Local Municipality, Matzikama Local Municipality, Metsimaholo Local Municipality, Middelburg Local Municipality, Midvaal Local Municipality, Mngeni Local Municipality, Mogale Local Municipality, Mosselbaai Local Municipality, Msunduzi Local Municipality, Mtubatuba Local Municipality, Nama Khoi Local Municipality, Nelson Mandela, Nokeng tsa Taemane Local Municipality, Oudtshoorn Local Municipality, Overstrand Local Municipality, Plettenbergbaai Local Municipality, Potchefstroom Local Municipality, Randfontein Local Municipality, Richtersveld Local Municipality, Saldanha Bay Local Municipality, Sol Plaatjie Local Municipality, Stellenbosch Local Municipality, Swartland Local Municipality, Swellendam Local Municipality, Theewaterskloof, Local Municipality, Umdoni Local Municipality, uMhlathuze Local Municipality and Witzenberg Local Municipality.

Area B – areas not mentioned in Area A.

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