

The Increase of the National Minimum Wage for 2025

By **Kaylah Johnson** (Candidate Attorney),
Juliette Vermeulen (Associate Designate)
and **Pierre van der Merwe** (Partner)

05 March 2025

WHAT IS THE PURPOSE OF THE MINIMUM WAGE AND WHO DOES IT APPLY TO?

The purpose of the National Minimum Wage Act, 9 of 2018 (**"the Act"**) is to advance economic development and social justice by increasing the wages of the lowest paid workers.

The Act applies to all workers, except for members of the South African National Defence Force, the National Intelligence Agency and the South African Secret Service. The minimum wage does not apply to volunteers who perform work for another person and who are not entitled to receive any remuneration for his or her services rendered.

The Act indicates that the calculation of the minimum wage is the amount payable in money for ordinary hours of work and excludes bonuses, gifts, gratuities, tips and any payment that is made to enable a worker to work including transport, food, accommodation etc., unless specified otherwise in a sectoral determination.

These amounts are considered as separate payments when establishing whether a worker is receiving the national minimum wage. The national minimum wage takes preference over any contractual provision or agreement.

The National Minimum Wage Commission (**"the Commission"**) is required to conduct an annual review process to make recommendations to the Minister of Employment and Labour (**"the Minister"**) on what changes should be effected each year. The Minister, taking into consideration the recommendations from the Commission, then adjusts the minimum wage annually.

THE ADJUSTED MINIMUM WAGE

On 4 February 2025, the Minister published the new minimum wage for each ordinary hour worked which was increased from **R27.58 per hour** to **R28.79 per hour** with effect from 1 March 2025 in the Government Gazette No 52053 (**"the Gazette"**).

This reflects an increase of approximately 4.4%, which is less than the increase in 2024, which reflected an increase of approximately 8.5%. The adjusted minimum wage is equally applicable to domestic workers and farm workers.

The minimum wage has been adjusted for workers who are employed in the wholesale, retail and contract cleaning sector and varies depending on the sectoral determination for each sector. Workers who are employed on an expanded public's work programme are entitled to a minimum wage of R15.83 per hour, reflecting an increase of approximately 4.4% from the previous minimum wage which was R15.16 per hour in 2024.

Further, Section 17 of the Skills Development Act 97 of 1998 makes provision for workers who have concluded learnership agreements, these workers are entitled to a minimum weekly allowance as contained in schedule 2 of the Gazette.

CONCLUSION

The Act prevents employers from paying their workers less than the minimum wage and ensures that workers are protected from unreasonably low wages. Employers must ensure that they comply with the adjustment to the minimum wage on an annual basis to avoid disputes arising in the CCMA.

Please note: this article is for general public information and use. It is not to be considered or construed as legal advice. Each matter must be dealt with on a case-by-case basis and you should consult an attorney before taking any action contemplated herein.



Pierre van der Merwe
(Partner)



Juliette Vermeulen
(Associate Designate)



Kaylah Johnson
(Candidate Attorney)