

Cobalt Solutions
For Business Owners



THE RIGHT TO AN ANNUAL INCREASE IN WAGES

Question: Does an employee have a right to an annual wage increase?

Answer: There is no general duty an employer to give an annual increase.

Brief explanation: The Basic Conditions of Employment Act of 1997 does not make provision for minimum wages or wage increases. However, if the employer's business falls in an industry or area where there Bargaining Council Agreement or Sectoral Determination applies, the employer has to comply with minimum wage stipulations contained in such Agreement or Determination. If the employee is already earning the same or more than the applicable minimum wage, there is normally no obligation to increase the employee's wage. There are some Bargaining Council Agreements that, in addition to the increase on minimum wages, also determine that the increase must apply to "actual" wages. In most cases the increase would only apply to minimum wages, though.

Article written by Jan Truter of www.labourwise.co.za