STATUTORY REFERENCE

The BCEA *comparison matrix.*

Every statutory minimum a South African employee is entitled to, what changes above the earnings threshold, what employment actually costs an employer, and the entitlements international teams assume exist but do not.

Current to
September 2026

Threshold
R269,600.90 from 1 May 2026

Minimum wage
R30.23 per hour from 1 March 2026

HOW TO READ THIS

One threshold changes which rules apply

The Basic Conditions of Employment Act sets the floor for employment in South Africa. A contract may improve on it and never reduce it. But the Act does not apply uniformly, because a single earnings figure switches off an entire block of working time protections for higher earners.

From 1 May 2026 that figure is **R269,600.90 per year**, equal to R22,466.74 per month, increased from R261,748.45. It is set by the Minister of Employment and Labour under section 6(3) and adjusted most years.

What counts as earnings for this test

Regular annual remuneration before deductions such as income tax, pension and medical contributions. It **excludes** employer contributions made on the employee's behalf, and it excludes subsistence allowances, transport allowances, achievement awards and overtime payments. Gross monthly salary is a starting point, not the answer. A package that includes a large employer pension contribution can sit below the threshold even where total cost to company sits well above it.

What switches off above the threshold

Employees earning above R269,600.90 are excluded from these sections of the BCEA, unless their contract or an applicable collective agreement gives them better terms.

SECTION	PROTECTION LOST
Section 9	Ordinary hours of work
Section 10	Overtime, including the right to overtime pay
Section 11	Compressed working week
Section 12	Averaging of hours of work
Section 14	Meal intervals
Section 15	Daily and weekly rest periods
Section 16	Pay for work on Sundays
Section 17(2)	Night work provisions
Section 18(3)	Pay for public holidays not ordinarily worked

HOW TO READ THIS

What every employee keeps, at any salary

The threshold does not touch these. They apply to your most senior South African hire exactly as they apply to your most junior.

- Annual leave, sick leave, family responsibility leave and parental leave
- Notice periods on termination
- Severance pay on dismissal for operational requirements
- Written particulars of employment and payslips
- Limits on deductions from remuneration
- Protection against unfair dismissal and unfair labour practice under the Labour Relations Act
- Protection against unfair discrimination under the Employment Equity Act
- Prohibitions on child labour and forced labour

MATRIX ONE

Working time

ENTITLEMENT	BELOW THRESHOLD	ABOVE THRESHOLD
Ordinary hours	Maximum 45 hours per week. Nine hours per day where the employee works five days or fewer per week, eight hours per day where they work more.	Set by contract.
Overtime	Only by agreement. Maximum 10 hours per week, and no more than 12 hours in any day including ordinary hours. Paid at 1.5 times, or compensated with paid time off by agreement.	Set by contract. No statutory right to overtime pay.
Sunday work	Double the ordinary rate, or 1.5 times where the employee ordinarily works on a Sunday.	Set by contract.
Public holidays	Twelve gazetted public holidays. Paid if the holiday falls on a day the employee would ordinarily work. Work on a public holiday is paid at double, or ordinary pay plus the amount earned, whichever is greater.	Section 18(3) falls away. Contractual position governs pay for holidays not ordinarily worked.
Night work	Work between 18:00 and 06:00 requires an allowance or reduced hours, and transport must be available. Additional protections apply to regular night work.	Section 17(2) falls away.
Meal interval	One hour after five continuous hours of work, reducible to 30 minutes by agreement.	Set by contract.
Rest periods	Twelve consecutive hours between shifts, and 36 consecutive hours weekly which must include Sunday unless otherwise agreed.	Set by contract.
National minimum wage	R30.23 per hour from 1 March 2026, across all sectors including farm and domestic workers. Expanded public works programme workers are at R16.62 per hour. Separate rates apply under learnership agreements. The minimum wage is not affected by the earnings threshold.	

The overtime trap for remote international teams

A South African employee below the threshold who joins calls outside ordinary hours to accommodate a United States or Asia-Pacific time zone is working overtime, and it must be agreed and paid or compensated with time off. Time zone convenience is not a defence. Where a role genuinely requires irregular hours, that belongs in the contract and in the salary, and it is one reason to check where a package sits relative to the threshold before you set it.

MATRIX TWO

Leave

TYPE	STATUTORY MINIMUM	NOTES
Annual leave	21 consecutive days per 12-month leave cycle, on full pay.	For a five-day working week this is 15 working days. May alternatively be calculated as one day per 17 days worked, or one hour per 17 hours worked. Leave may not be paid out in place of being taken, except on termination.
Sick leave	During each 36-month cycle, the number of days the employee would ordinarily work in a six-week period.	Roughly 30 days for a five-day week, across three years rather than annually. During the first six months of employment the entitlement accrues at one day for every 26 days worked. A medical certificate may be required for absences of more than two consecutive days, or more than twice in eight weeks.
Family responsibility leave	Three days per annual leave cycle.	Available to employees who have been employed longer than four months and work at least four days a week. Covers the illness of a child and the death of specified family members.
Parental leave	See the panel below. The position changed materially in October 2025.	Statutory parental leave is unpaid. UIF benefits may be claimable separately and are limited.

Parental leave: most published South Africa guides are now out of date

On 3 October 2025 the Constitutional Court decided Van Wyk and Others v Minister of Employment and Labour [2025] ZACC 20. It declared the maternity, parental, adoption and commissioning parental leave provisions of the BCEA unconstitutional for discriminating between categories of parent. The declaration of invalidity is suspended for 36 months so Parliament can legislate, but the Court issued a reading-in order that took effect immediately and is binding now.

The old framework of four months' maternity leave for birth mothers plus ten days for fathers no longer describes the law. Any guide still stating it is describing the position before October 2025.

SITUATION	INTERIM ENTITLEMENT
Single parent, or only one parent is employed	At least four consecutive months of unpaid parental leave.
Both parents employed	Four months and ten days of parental leave, shared between them as they agree. Failing agreement, it is divided as equally as possible.
Birth mother, in all cases	May not work for six weeks after the birth unless certified fit by a medical practitioner or midwife. May begin leave any time from four weeks before the expected birth. This period forms part of the shared entitlement rather than sitting on top of it.
Adoptive parents	The Court found the age cap unconstitutional but suspended that finding without interim relief. The existing rule therefore still applies, and parental leave on adoption remains available only where the child is under two.

Three consequences employers are still working through

The leave is unpaid. Any paid parental benefit is a matter of contract or policy, not statute.

UIF did not move with it. The Court declined to read anything into the Unemployment Insurance Act, so the existing benefit rules continue. An employed father whose partner is not employed may take four months of unpaid leave and still be able to claim benefits for only ten days.

Differentiating paid benefits between categories of parent now carries risk. A policy paying birth mothers more than other parents may attract an unfair discrimination claim under the Employment Equity Act unless the differentiation can be justified. Policies written before October 2025 should be reviewed.

MATRIX THREE

Termination

ITEM	STATUTORY POSITION
Notice, first six months	One week.
Notice, six months to one year	Two weeks.
Notice, one year and beyond	Four weeks.
Payment in lieu	Permitted. Notice must be given in writing, except to an employee who cannot read or write.
Severance	One week's remuneration for each completed year of continuous service, on dismissal for operational requirements. A proposal to double this to two weeks is before Parliament and is not law.
Accrued leave	Paid out on termination.
Certificate of service	Must be issued on termination.
Fairness	Notice alone does not make a dismissal lawful. The Labour Relations Act requires a fair reason and a fair procedure regardless of notice given or paid.

The employer cost stack

Above gross salary, these are the statutory employer costs of employing in South Africa. The list is short by international standards.

CONTRIBUTION	RATE	DETAIL
UIF, employer share	1%	Capped at remuneration of R17,712 per month, so the maximum employer contribution is R177.12 per employee per month.
UIF, employee share	1%	Deducted from the employee and paid over with the employer share. Same cap, so a maximum of R177.12.
Skills Development Levy	1%	Employer only, on total leviable payroll. Employers whose annual payroll will not exceed R500,000 are exempt. Up to 20% is recoverable as a mandatory grant by submitting a Workplace Skills Plan and Annual Training Report to the relevant SETA by 30 April.
COIDA	Varies by industry	An annual assessment based on a Return of Earnings, charged per R100 of earnings at a rate set by industry risk. Low-risk professional services sit at a small fraction of a percent. For the 2025/2026 assessment year the maximum earnings per employee were R633,168 per year and the minimum assessment for a standard employer was R1,621.
PAYE	Sliding scale	Employee tax. An employer cost only in administration, not in money, but the obligation to withhold correctly sits with the employer.

UIF, SDL and PAYE are declared and paid together on the monthly EMP201 return, due by the seventh of the following month.

A correction worth carrying

Several widely circulated payroll guides state that the UIF ceiling rose to R17,712 in 2026. It did not. That ceiling took effect on **1 June 2021** and has not changed since. Anything describing it as a 2026 increase has confused the tax year with the year of the change, and its other figures are worth checking too.

MATRIX FOUR

What South African law does not require

International employers frequently budget for entitlements that are not statutory here, and occasionally promise them in offer letters before checking. None of the following is required by law.

ASSUMED ENTITLEMENT	ACTUAL POSITION
Thirteenth cheque or annual bonus	Not statutory. Common in practice and often expected by candidates, but it becomes an obligation only if the contract or policy creates one, or a practice becomes established enough to be enforceable. Decide deliberately and write it down.
Employer medical aid contribution	Not statutory. Widely offered and a significant factor in competing for senior candidates.
Employer pension or provident contribution	Not statutory in the general case. Some sectors are covered by bargaining council agreements that do require it, so check sector coverage.
Equipment, home office allowance or connectivity	Not specifically regulated. Health and safety and data protection duties still apply to a home workspace, which is a separate question from who pays for the desk.
Statutory paid parental leave	Parental leave is unpaid as a statutory matter. UIF benefits are separate, are claimed by the employee, and are capped.
Probation as an automatic right to dismiss	No. Probation reduces procedural requirements. It does not remove them, and a poorly run probation dismissal is a losing case at the CCMA.
Employment equity obligations for a small team	Since 1 January 2025 the definition of designated employer turns on headcount alone. Employers with fewer than 50 employees are not required to prepare Employment Equity Plans or file annual reports, whatever their turnover. Anti-discrimination and equal pay obligations still apply to everyone.

The one to watch if the team grows

At 50 employees an employer becomes a designated employer and the full Employment Equity regime applies, including alignment with the five-year sectoral numerical targets that took effect on 15 April 2025 across 18 economic sectors, annual reporting, and a compliance certificate for any business done with the State. Where employment is through a third party, how headcount is attributed is a question worth answering with advice before you approach the threshold rather than after.

CLOSE

Using this matrix

Two numbers do most of the work. Where a salary sits relative to R269,600.90 determines which working time rules apply, and the employer cost stack above gross salary is smaller than most international employers assume.

The complexity is not in the rates. It is in the procedure attached to leave, termination and dispute resolution, and in keeping current with a framework that has moved twice in the last year and has substantial reform in draft.

Employing in South Africa without a local entity

Employer of Record South Africa acts as the legal employer for teams hiring South African talent, covering compliant contracts, payroll in rand and every statutory submission, so the obligations in this matrix sit with a local partner rather than with you.

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Important notice

This matrix is general information, not legal, tax or financial advice, and it does not create an advisory relationship. It states minimum positions under national legislation and does not account for bargaining council agreements or sectoral determinations, which apply to many industries and which override the general position where they cover a matter.

Statutory figures change. The earnings threshold and national minimum wage are adjusted most years, COIDA assessment figures are set annually, and the parental leave position is interim pending legislation due by October 2028. Verify current figures before relying on them.

Principal sources. Basic Conditions of Employment Act 75 of 1997. National Minimum Wage Act 9 of 2018 and the determination effective 1 March 2026. Determination of the earnings threshold under section 6(3), published April 2026 and effective 1 May 2026. Van Wyk and Others v Minister of Employment and Labour [2025] ZACC 20, 3 October 2025. Unemployment Insurance Contributions Act 4 of 2002 and the contribution ceiling gazetted 28 May 2021. Skills Development Levies Act 9 of 1999. Compensation for Occupational Injuries and Diseases Act 130 of 1993. Employment Equity Act 55 of 1998 as amended, the Employment Equity Regulations 2025 and the Determination of Sectoral Numerical Targets, both effective 15 April 2025.