

# JUNE 2024 NEWSLETTER

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**LABCO**  
EMPLOYERS ORGANISATION



## Unpacking the BCEA

The Basic Conditions of Employment Act ensures fair labor practices in South Africa, setting standards for work hours, leave, and wages. It promotes healthy workplace environments, protects employees' rights, and helps businesses maintain compliance, fostering a stable and productive workforce essential for economic growth.

Each month we will unpack a section of the BCEA starting with **leave types**. The BCEA mandates several types of leave, including annual leave, sick leave, maternity leave, and family responsibility leave.

**Annual Leave Summary:** The BCEA prescribes that employees are entitled to 21 consecutive days of annual leave per year, equivalent to 15 working days if they work a five-day week or 18 days for a six-day week. This leave must be accrued over a 12-month period and is fully paid. Employers and employees can agree to more generous terms, but the BCEA sets the minimum standard to ensure all employees receive adequate rest and recovery time.

## Top News

Unpacking the Basic  
Conditions of Employment Act  
("BCEA", Act 75 of 1997)

First 6-months of 2024  
recapped in Labour Law



01/02

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# What transpired in the labour law landscape in the past 6 month of 2024?

## January 2024:

Labour Court judgment on **COMMON PURPOSE** has been delivered in a matter involving Dis-chem. Read the Labour Court judgment in the matter NUPSAW obo Lutendo & 284 others // Dis-Chem Pharmacies Ltd. (J2086/20 and JR2111/20) [here](#).

## February 2024:

Labour Court judgment dealing with **UNPAID SUSPENSION FOR EMPLOYEES WHO DELAY DISCIPLINARY HEARING**. Read a summary of the matter [here](#).

## March 2024:

**2024 BCEA Earnings Threshold** was announced. The increased earnings threshold is an amount of R254 371.67 per annum ( R21 197.63 per month).

## April 2024:

Labour Court judgment in a case involving a claim of **ALLEGED ARBITRARY DISCRIMINATION BASED ON CRIMINAL RECORD**. Read the Labour Court judgment in the matter Elsworth John O'Connor // LexisNexis (Pty) Ltd. (P18/24) [here](#).

## May 2024:

New **Labour Court rules 2024** Published

## FEATURE ARTICLE

### THE IMPACT OF NHI FOR EMPLOYERS

#### What are the implications for employer and employees?

Who is going to fund NHI?

The Act lists three primary sources of funding:

1. Introducing a payroll tax on employees;
2. Raising personal income tax; and ultimately
3. Redirecting most of the money spent on private medical aid schemes to the Fund.

South Africa has a skills mismatch and the race for talent is fierce. Employers in South Africa compete with both local and international competitors in a shallow talent pool for workers who have valuable, industry-specific skills. To attract and retain employees, employers often offer perks such as private healthcare. The NHI Act may in time require employers to think of alternative creative perks to attract employees due to the dilution of the benefit of private medical health insurance.

With the introduction of the NHI Act, the membership benefits of private medical aid schemes will be significantly limited as the NHI Act prohibits private medical aid schemes from offering services that are already covered by the Fund. Private medical aid schemes will only offer extra services that are not covered by the Fund.

The practical implications of the hybrid healthcare system remains unclear, and it may mean that employees will have to contribute towards the Fund and elect to contribute to a private medical aid scheme to access healthcare services excluded from the Fund. It is envisaged that the employer's role in this regard will be like that of the Unemployment Insurance Fund model in respect of the Fund contribution.

Employers that contribute towards their employees' medical aid benefits may potentially continue to contribute towards both the Fund and private medical aid schemes. Any extra costs will likely affect profitability.

Finally, employers would be expected to update their health policies and benefits to reflect the coverage offered by the Fund and their chosen medical scheme, if any.

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