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8 March 2017

GUIDANCE NOTES (revision of Guidance Notes dated November 30, 2016 issued by CAGI) on application and implementation of the:

The Labour (National Minimum Wage) Order 2016, No. 15 of 2016 (Legal Supplement – B: 28 October 2016) Made under Section 8 of The Labour Act Cap. 98:01

1. National Minimum Wage

- **The national minimum wage, effective from 1 January 2017 is \$44,200 per month or \$10,200. per week or \$2,040 per day or \$255. per hour.**
- employees who are paid less than the minimum as at 31 December 2016 must be paid at least the prescribed minimum wage by order N0. 15 of 2016.
- employees who currently work by contractual arrangements, say for 6 days - 48 hours per week should continue, if required, to so work and be paid 40 hours for regular time, plus 12 hours overtime pay (8 x 1.5hrs) = 52 hours.

At \$255. per hour x 52 = \$13, 260 per week or **\$57,460 per month** should be their minimum pay. No additional pay is required as the overtime pay is inclusive of overtime hours beyond 40 hours. **Over time pay is NOT generally applicable to professional, supervisory, and managerial employees, NOT customarily paid overtime, and earning more than**

\$57,460 with other benefits which are not paid to employees at the minimum wage.

2. 40 hour, 5-Day Work Week

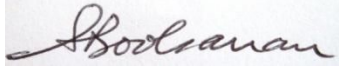
- this replaces previous 40 $\frac{3}{4}$, 42, 44, and 48 weekly hours.
- the regular work week is **40 hours, five-day work week**
- **It is any five of seven days of the week**
- the work week could be staggered or a day off given during the week
- there should normally be **at least 24 continuous hours weekly break** for rest.

3. Current Statutory Overtime Pay and Meals

- **1.5 times** for OT work beyond 40 hour weekly;
- **1.5 times for work on Sundays and Public Holidays in Hotels Guest Houses, Discothèques, Night Clubs, and Liquor Restaurants.**

These establishments are required to provide one hot meal on every work day. Where no meal is provided by any of these establishments, the employer shall pay to the employee in lieu thereof, the cash value of any meal not supplied. (Article 10 Labour (Conditions of Employment of Certain Workers) - Act chapter 99:03

- for factory/manufacturing enterprises – **double pay** for work done on Sundays and the following 6 public holidays: ***Christmas Day, Good Friday, Easter Monday, Labour Day; Phagwah, and Eid-UI- Azah;*** and **1.5 times for the other public holidays.**
- 4. Shift Workers:** Normal 8-hour shift, with short break(s) for snack/meal; about 20 minutes for meal **or** two 10 minutes for snacks – normal and customary practice.
- 5. Payment for employees on Commission, Piece Work, and Job Work :** This Order does not affect the payment to those employees who are paid on a commission, piece rate, or job work basis.



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CAGI

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