



EMPLOYMENT LAW REVIEW

PROPOSED CHANGES TO LABOUR LEGISLATION: 10 KEY AMENDMENTS

MARCH 2026

Dear clients

INTRODUCTION

In February, the Minister of Employment and Labour, Minister Meth published the Labour Law Amendment Bill setting out proposed changes to the Labour Relations Act, 1995 (the "LRA"), the Basic Conditions of Employment Act, 1997 (the "BCEA"), the Employment Equity Act, 1998 (the "EEA") and the National Minimum Wage Act, 2018 (the "NMWA").

The Bill arises from an extensive review of labour laws conducted by the social partners at NEDLAC over the last two years. The changes reflect trade offs between trade unions, organized business and the state. We have distilled, what in our view are, the 10 key amendments for our clients.

The Bill is not law at this point, and public comment is welcome before the end of March. Thereafter the Bill will be introduced in Parliament for deliberation.

10 KEY AMENDMENTS

- 1. Relief for new small businesses:** New businesses employing less than 50 employees will not be subject to collective agreements concluded in bargaining councils. The exemption would apply for a period of two years.
- 2. Costs against a party for postponing hearings for frivolous reasons:** If the CCMA finds that a request for a postponement was frivolous or vexatious, or could have reasonably been avoided, the commissioner may order costs against the responsible party.
- 3. Easier dismissals of new employees:** A fair procedure is regarded as one in which an employee has had an adequate and reasonable opportunity to respond to misconduct or incapacity allegations. This principle does not apply to employees during their first 3 months of employment, or who are on probation for a longer period, provided that the reason for the dismissal is operationally justifiable.
- 4. Re-instatement and re-employment no longer remedies for high income employees:** Employees earning above a threshold prescribed by the Minister, (at this point anticipated to be R1.8 million per annum) will no longer enjoy the remedy of reinstatement or re-employment upon a finding that their dismissal was unfair, unless the dismissal was automatically unfair (related for example to an impermissible reason such as pregnancy). This is a material amendment favouring employers who are often burdened by payment of huge backpay amounts upon a reinstatement order from the CCMA or Labour Court.

5. **Limits on compensation:** The CCMA or Labour Court may order compensation for an unfair dismissal to a maximum of 12 months remuneration, provided that the maximum does not exceed an amount prescribed by the Minister (at this point anticipated to be R1.8 million per annum).
6. **Parental leave to be shared between parents:** Both parents may share 4 months and 10 days parental leave (for example a mother for 3 months and a father for 1.5 months). This applies to the parents of a newborn child, the adoptive parents of a child under 6 years, and a commissioning parent of a child born from a surrogacy arrangement. If only one parent is employed then the employee is entitled to 4 months parental leave. The Minister will determine the benefits to be paid in respect of parental leave in terms of the Unemployment Insurance Act 2001.
7. **Severance pay doubles:** Severance pay will be calculated on the basis of 2 weeks for each year of completed service. This amendment is to cushion the financial blow of retrenchment for employees.
8. **Some protection for “on call” workers:** Employers are to specify written particulars of work indicating guaranteed hours of work, maximum hours of work, and reasonable notice periods for reporting for work. There is growing recognition of the vulnerability of defendant contractors such as uber drivers, and for the need for social protection.
9. **Protecting the minimum wage:** Employees must earn at least the minimum wage – which must be equivalent to “take home” pay. Deferred income (such as contributions to pension funds) may not be considered in the calculation of the minimum wage.
10. **Prevention of duplicate claims:** Employees must elect whether to refer a dispute about the fairness of a dismissal or the unlawfulness of a dismissal, they may not do both, arising from the same set of facts. This is to relieve the burden of disputes referred to the CCMA and the Labour Court.

KEEP IN TOUCH _____

11. If you would like to discuss the amendments and how they may apply to your workplace, please contact us. The link to the Labour Law Amendment Bill, 2025 is below.

https://www.gov.za/sites/default/files/gcis_document/202602/54220gen3801.pdf



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