



UNIVERSITY OF
MPUMALANGA

Creating Opportunities

EMPLOYEE REMUNERATION WITHIN THE
FRAMEWORK OF EQUAL PAY FOR WORK OF
EQUAL VALUE IN SOUTH AFRICA:
HIGHER EDUCATION INSIGHTS

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Overview of Presentation

- Introduction
- Principles
- Background
- Legislation
- Justifiable Reasons
- Role of HR Practitioners
- Role of Payroll Practitioners
- Control Measures
- Compliance Checks & Reporting
- Caselaw
- Check-in &Q and A

Introduction

Premised on social
justice and redress

Implementors: HR
including Payroll

The interconnection
between legislation,
practice and
implementation

Control and
compliance

Multiple
deliverables

Accuracy and
relevance

Principles

Definition of Work of Equal Value

Jobs with similar skill, effort, responsibility, and working conditions are considered of equal value.

Addressing Inequalities

This principle helps reduce pay disparities based on gender, race, and historically undervalued roles.

Promoting Inclusive Culture and Promoting Engagement

Fair compensation for equal value work fosters employee morale and builds an inclusive workplace culture.





Legislation

- **Employment Equity Act Section 6(1) and 6(4)**

Section 6(4) prohibits unfair pay discrimination for work of equal value, ensuring equal compensation regardless of personal characteristics.

Previously addressed in 2(1)(a) of Schedule 7 to the Labour Relations Act No 66 which listed prohibition of pay discrimination on listed grounds
This was repealed and replaced by Section 6(1) of the EEA as Amended

- **Employment Equity Regulations 2014**

Regulations provide structured methods to objectively assess job roles based on skills, effort, responsibility, and conditions.



- **Basic Conditions of Employment Act(No. 75 of 1997)
as Amended**

Section 1 provides the definition of remuneration

- **Code of Good Practice: EPFWEV**
Provides comprehensive guidelines



- **Code of Good Practice 2015**

Provides guidelines on the implementation of equal pay principles, transparency and fairness in remuneration

- **International Labour Organisation Convention 100 on Equal Remuneration**

Addresses Discrimination in respect of Employment and Occupation, which provides, inter alia, that member states should formulate a national policy for the prevention of discrimination in employment and occupation concerning work of equal value

- **Constitution of SA**

Bill of Rights



Section 6(1)

- No person may unfairly discriminate, directly or indirectly, against an employee, in any employment policy or practice on one or more grounds, including *race, gender, sex, pregnancy, marital status, family responsibility, ethnic or social origin, colour, sexual orientation, age, disability, religion, HIV status, conscience, belief, political opinion, culture, language, birth or on any other arbitrary ground.*



Section 6(4)

- Does not prohibit differentiation on justifiable grounds.
- *In Louw & Another v Golden Arrow Bus Services (Pty) Limited:*

While is not an unfair labour practice to pay different wages for equal work or for work of equal value, it is however an unfair labour practice to pay different wages for equal work or work of equal value **if the reason or motive, being the cause for so doing, is direct or indirect discrimination on arbitrary grounds or the listed grounds eg race or ethnic origin.**



Justifiable Reasons

1. The individuals' respective seniority or length of service
2. The individuals' respective qualifications, ability, competence or potential above the minimum acceptable levels required for the performance of the job
3. The individuals' respective performance, quantity or quality of work, provided that employees are equally subject to the employer's performance evaluation system, and that the performance evaluation system is consistently applied;



4. Where an employee is demoted as a result of organisational restructuring or for any other legitimate reason without a reduction in pay / remuneration and fixing the employee's salary at this level until the pay / remuneration of employees in the same job category reaches this level. – Salary Retardation



5. Where an individual is employed temporarily in a position for purposes of gaining experience or training and as a result receives different pay /remuneration or enjoys different terms and conditions of employment
6. A shortage of relevant skill in a particular job classification
7. Any other relevant factor that is not unfairly discriminatory in terms of Section 6(1) of the Act.

Role of HR Practitioners

PRESCRIPTS

- Ensure adherence to policy and legislation

CHECKS

- Conduct pay audits

PARITY

- Promote pay parity – decisions should be justifiable

DATA INTEGRITY

- Ensure completeness and accuracy is upheld

DETERMINATION OF VALUE

- Job analysis, grading, salary determination

SURVEY DATA

- Conduct salary surveys

COLLABORATION

- Participate on benchmarking where possible

RELEVANCE

- Update policies and keep updated



Role of Payroll Practitioners



Ensure accuracy



Review and raise anomalies with HR



Work collaboratively to uphold best practice



Ensure policy and legislative knowledge is upheld and applied



Participate in policy development and training initiatives



Control Measures

Job Analysis

Sound evaluation of position(s) and determination of worth

Sound Job Descriptions

Implement Transparent Job Grading

Transparent job grading systems objectively evaluate roles to promote fairness in pay decisions.

Conduct Regular Pay Audits

Regular pay

Participation in salary surveys



Remuneration Committee

Important role to play

Provide and oversight and advisory role

Utilise principles based on transparency and equitable pay practices

Non-discriminatory practices

Valid remuneration decisions, promotions and bonuses.





Sound Policies

Remuneration
Policies – Sound

Recruitment –
Decisions on
determination of
pay

– valid basis

Compliance Checks & Monitoring



In accordance with Section 27 (EEA as amended), an analysis and audit of policies, practices are required



An analysis of remuneration according to grades and levels are required



Detailed analysis of income differentials are is required



Reporting on the above is required



Remedial measures are required if discriminatory practices or distinct gaps are found on the same level for employees undertaking same roles (justifiable reasons)





Caselaw and Relevant Sources

- Mthembu v Claude Neon Lights (1992) 13 ILJ 422 (IC) and South African Chemical Workers Union v Sentrachem (1988) 9 ILJ 410 (IC), both of which concerned alleged unfair pay discrimination determined under the Labour Relations Act No 28 of 1956.
- Grogan, J, Workplace Law, Eleventh Ed.
- Louw & Another v Golden Arrow Bus Services (2000) 21 ILJ 188 (LC)



THANK YOU FOR YOUR PARTICIPATION