

# Summary of the Minimum Wages and Conditions of Employment (Shop Workers) Order, 2006

(Prepared by the *Jesuit Centre for Theological Reflection*)

This briefing seeks to inform you on the contents of the recently revised Minimum Wages and Conditions of Employment Act (Cap. 276), specifically Statutory Instrument (SI) 56 of 2006 that governs wages and conditions of employment for the shop worker (note that general workers are governed under a separate Statutory Instrument, No. 57 of 2006). Please distribute this informative document to all relevant stakeholders in Zambia, including employers, employees, trade unions, etc.

## Who Qualifies under the Minimum Wages Act?

The Minimum Wages and Conditions of Employment Act applies to all employees (including casual employees, part-time employees, employees with oral or written, express or implied contracts of service) employed *in any shop or in connection with the business of any shop* in Zambia, but does not apply to the following categories of employees:

- Employees who are employed as an apprentice (as defined under the Employment Act)
- Employees who work for or in connection with the motor trade or petroleum industry
- Employees who work for non-profit / charitable bazaars or organisation that sell work
- Employees who hawk or print newspapers, run coffee stores, hold a hawker's license
- Employees who sell / hawk produce on behalf of a bona fide farmer or market gardener
- Employees who manufacture bread or bread stuff
- Employees who receive, store or treat fresh milk products, fish, meat, poultry, game, fruit or other perishable foodstuffs
- Employees who deliver ice to hospitals and nursing institutions during the day or at night,
- Employees who sell before midnight programmes, catalogues or refreshments in theatres, concert halls or other places of amusement during any performance
- Employees who undergo collective bargaining (unionised workers)
- Employees with a specific employment contract attested by the Ministry of Labour
- Employees in management positions (as defined under the Industrial Relations Act)

**Note: A "shop" includes a hairdresser or barber saloon but does not include a hotel, motel, inn, boarding house, restaurant, tea-room or premises used for the preparation / sale of food, drinks or alcohol consumed on premises.**

## What Monthly Wages and Allowances are Employees Guaranteed?

As of 30<sup>th</sup> May 2006, qualifying employees (separated into 8 main grades) are guaranteed at minimum the following monthly wages and allowances:

### **Grade I – Package / Good Bailer or Wrapper, Delivery Vehicle Assistant, General Worker (not elsewhere specified), Handyman, Office Orderly, Watchman**

- Basic Pay – K268,800 per month (K1,378 per hour for casual and part-time employees)
- Transport Allowance – K80,000 per month (if residence is beyond 3 km radius of duty station)
- Lunch Allowance – K70,000 per month or free nutritious lunch
- Housing Allowance – K80,640 per month (30% basic pay if housing is not provided)
- Minimum Monthly Pay and Allowances – **K499,440**

### **Grade II – Lift Operator, Driver of Motorcycle, Scooter or 3-Wheeler, Sales Assistant, Packer**

- Basic Pay – K360,000 per month (K1,846 per hour for casual and part-time employees)
- Transport Allowance – K80,000 per month (if residence is beyond 3 km radius of duty station)
- Lunch Allowance – K70,000 per month or free nutritious lunch
- Housing Allowance – K108,000 per month (30% basic pay if housing is not provided)
- Minimum Monthly Pay and Allowances – **K618,000**

**Grade III – Assistant Bicycle Assembler, Assistant Dispatch Clerk, Driver (Requiring Ordinary Driving License), Shelf Packer, Shoe Repairer, Assistant Tailor, Assistant Window Dresser**

- Basic Pay – K450,000 per month (K2,308 per hour for casual and part-time employees)
- Transport Allowance – K80,000 per month (if residence is beyond 3 km radius of duty station)
- Lunch Allowance – K70,000 per month or free nutritious lunch
- Housing Allowance – K135,000 per month (30% basic pay if housing is not provided)
- Minimum Monthly Pay and Allowances – **K735,000**

**Grade IV – Bicycle Assembler, Check-Out Operator, Driver (Requiring Heavy Duty or Public Service License), Telephone Operator, Typist, Picture Framer**

- Basic Pay – K500,000 per month (K2,564 per hour for casual and part-time employees)
- Transport Allowance – K80,000 per month (if residence is beyond 3 km radius of duty station)
- Lunch Allowance – K70,000 per month or free nutritious lunch
- Housing Allowance – K150,000 per month (30% basic pay if housing is not provided)
- Minimum Monthly Pay and Allowances – **K800,000**

**Grade V – Dispatch Clerk, Ledger Clerk, Costing Clerk, Orderman, Sales Person, Tailor, Upholster**

- Basic Pay – K715,000 per month (K3,667 per hour for casual and part-time employees)
- Transport Allowance – K80,000 per month (if residence is beyond 3 km radius of duty station)
- Lunch Allowance – K70,000 per month or free nutritious lunch
- Housing Allowance – K214,500 per month (30% basic pay if housing is not provided)
- Minimum Monthly Pay and Allowances – **K1,079,500**

**Grade VI – Audio Visual Equipment Repairer, Machine Operator, Watch Repairer**

- Basic Pay – K660,000 per month (K3,385 per hour for casual and part-time employees)
- Transport Allowance – K80,000 per month (if residence is beyond 3 km radius of duty station)
- Lunch Allowance – K70,000 per month or free nutritious lunch
- Housing Allowance – K198,000 per month (30% basic pay if housing is not provided)
- Minimum Monthly Pay and Allowances – **K1,008,000**

**Grade VII – Credit Controller, Supervisor, Window Dresser, Shorthand Typist, Cashier**

- Basic Pay – K800,000 per month (K4,103 per hour for casual and part-time employees)
- Transport Allowance – K80,000 per month (if residence is beyond 3 km radius of duty station)
- Lunch Allowance – K70,000 per month or free nutritious lunch
- Housing Allowance – K240,000 per month (30% basic pay if housing is not provided)
- Minimum Monthly Pay and Allowances – **K1,190,000**

**Grade VIII – Qualified Book-Keeper**

- Basic Pay – K840,000 per month (K4,308 per hour for casual and part-time employees)
- Transport Allowance – K80,000 per month (if residence is beyond 3 km radius of duty station)
- Lunch Allowance – K70,000 per month or free nutritious lunch
- Housing Allowance – K252,000 per month (30% basic pay if housing is not provided)
- Minimum Monthly Pay and Allowances – **K1,242,000**

**Note: At the time of introduction of this order those employees in any grade who previously received a wage in excess of the minimum rate of pay shall receive a wage increase by 33 and 1/3 Percent (33.33%)**

## What other Benefits are Guaranteed by the Minimum Wages Act?

- **Night Shift** – employee working between 18 hrs and 07 hrs – K100 per hour shift differential
- **Normal Hours of Work** – employees other than managers – work week shall not exceed 45 hours, work day shall not exceed 8 ½ hours (10 ½ hours in butcheries, bakeries and dairies), consecutive work hours shall not exceed 5 without 1 hour for lunch, work days going beyond 14 hrs shall not exceed 5 per week, 15-year old employees shall not work more than 7 hours in a day, Sundays and Public Holidays shall not be work days unless for stock-taking, emergency work or sale of perishables, work week for a watchman is 60 hours spread over 6 days
- **Overtime** – employee working in excess of 45 hours – 1 ½ times hourly pay per hour of overtime (this does not apply to a watchman)
- **Sundays and Holidays** – employee working overtime on a Sunday or working on a Public Holiday – 2 times hourly pay per hour of overtime
- **Paid Leave of Absence** – after 6 months of employment – accrues at two days per month (for part-time employees leave accrues at same rate but in proportion to hours worked)
  - Travelling Allowance – employee proceeding on leave with at least 60 accrued days – 2 days pay per 280km distance to home
  - Holiday Allowance – employee proceeding on annual leave – 1 month's basic pay
- **Paid Sick Leave** – for permanent employees – full pay for 3 months and half pay for 3 months (employees in first 6 months of employment given at maximum 26 working days at full pay)
  - A sick child – a female employee shall be given paid leave to nurse a hospitalised child
- **Maternity Leave** – after 2 years continuous service – 120 days maternity leave
  - Female employee shall not be dismissed due to complications in six months following delivery
- **Retirement Benefits** – upon retirement after 10 years employment and upon reaching the age of 55 – at least 3 months basic pay per year of service or pension from approved pension scheme
- **Medical Discharge** – if terminated on medical grounds – 2 months basic pay per year of service
- **Redundancy Benefits** – 1 months notice and at least 2 months basic pay per year of service
- **Repatriation Benefits** – if employee given medical discharge, declared redundant, retires, or dies in service – allowance sufficient to cover cost of transport for family and all personal affects
- **Summary Dismissal** – employer must present a report to labour office within 5 days of dismissal
  - If case doesn't warrant dismissal, employee given 2 months basic pay per year of service
- **Funeral Benefits** – upon death of employee, employee's spouse or registered child – coffin, K200,000, 50 kgs mealie meal and transport to and from the cemetery
- **Subsistence Allowance** – spending a night away from home to attend to work – K100,000/night
- **Tool Allowance** – for employees using own tools to complete work – K20,000 per month
- **Machine Allowance** – for a tailor providing hand, treadle or electric machine – K50,000 / month
- **Protective Clothing** – employer to provide protective clothing for dangerous work
- **Upset Allowance** – upon permanent transfer to a new town – transport plus 1 month's full salary

To make inquiries or to access the Minimum Wages and Conditions of Employment Act in full, please contact the JCTR or the Ministry of Labour and Social Security.

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