

MINIMUM WAGE LAW, 5747-1987

Definitions.

1. In this Law -

“representative employee organisation”, “general collective agreement” and “extension order” have the same respective meanings as in the Collective Agreements Law, 5717-1957;

“the average wage” has the meaning assigned to this term in section 1 of the National Insurance Law (Consolidated Version) 5728-1968;

“the Minister” means the Minister of Labour and Social Affairs;

“the minimum wage” per month means 47.5 percent of the average wage as on the 2nd Nisan, 5747 (1st April, 1987), updated and increased under this Law;

“the daily minimum wage” means the twenty-fifth part of the minimum wage in respect of an employee employed during a 6 day working week, and the minimum wage divided by $21^{2/3}$, in respect of an employee employed during a 5 day working week;

“the hourly minimum wage” means the 186 part of the minimum wage.

Right to minimum wage.

2. (a) An employee of the age of eighteen years or over (hereinafter referred to as an “employee”) who is employed in a full-time position as used in his place of employment is entitled to receive from his employer a wage not less than the minimum-wage-per-month, the daily minimum wage or the hourly minimum wage, as the case may be.

(b) An employee employed in a part-time position is entitled to a partial minimum wage to be calculated in accordance with the part-time ration of his position.

(c) Where an employee is absent from work, the minimum wage to which he is entitled under subsection (a) shall be reduced in proportion to the time of his absence. However, if he is entitled to receive payment for the time of his absence under any law, contract of employment, collective agreement, extension order or other collective arrangement or under provisions binding as a benefit fund (any of these hereinafter referred to as “the arrangement”), the payment shall be in accordance with the provisions of the arrangement.

Calculation of wage for the purposes of minimum wage.

3. (a) The wage to be brought in account for the purposes of section 2 shall be the wage paid by an employer to his employee in an ordinary workday as is customary at his place of employment.

(b) The following wage components shall come into account for the purposes of section (a):

(1) basic wage or combined wage;

(2) cost-of-living allowance if not included in combined wage;

(3) fixed addition paid to the employee in consequence of his employment.

However, there shall not be brought into account a family allowance, a length-of-service allowance, a shift-work allowance, a thirteenth salary, grants on an annual basis and reimbursement of expenses, including subsistence, board and lodging and traveling expenses paid by the employer.

(c) Repealed.

(d) Where the wage of an employee is not paid in accordance with the components mentioned in subsection (b)(1) and (2) or with part of the, the wage shall for the purposes of subsection (a) be calculated in accordance with the ordinary wage without additions.

Increase of minimum wage.

4. The minimum wage shall be increased in accordance with the rate of a cost-of-living allowance, a price increase compensation, or any other addition to the wage, fixed by a general collective agreement and paid to most of the employees whose terms of employment are regulated by collective agreements. The increase shall come into force on the date of the coming into force of the addition in question.

No reduction in minimum wage.

5. In no case shall the amount of minimum wage be reduced in consequence of its updating under this Law.

Publication of minimum wage.

6. The Minister shall publish in *Reshumot* a notice of -

(1) The updated minimum wage on 1st April of any year;

- (2) the minimum wage for each 1st of April not being a determining day;
- (3) Repealed.

Right of claim.

7. A claim by an employee for payment of a minimum wage may be filed with the Labour Court by the employee or by the representative organisation of employees at the place of employment in question or where there is no such organisation of employees, by the organisation of employees of which the employee is a member.

Protection of Complainant.

7A. An employer shall not take any act prejudicial to an employee's pay, promotion at work or working conditions, and shall not dismiss him from work because of any complaint or claim submitted by the employee in respect of a breach of any of the provisions of this Law or by reason of the assistance that he has afforded to another employee in connection with such complaint or claim.

Increased compensation.

8. The Labour Court may require an employer to pay to the employee increased wage delay compensation as it may deem just in the circumstances of the case.

Mandatory injunction or restraining order.

8A. Notwithstanding the provisions of Section 3 (2) of the Contracts (Remedies for Breach of Contract) Law 5731-1970, the Labour Court may, in an action for breach of the provisions of Section 7A, grant a mandatory injunction or restraining order, if it concludes that an award of damages alone would not be just; in considering whether to grant such an order or injunction the Court shall take into consideration, *inter alia*, the effect that such an order may have on labour relations at the work place concerned.

Restriction to claim.

9. Notwithstanding anything provided in any agreement, the determination or updating of the minimum wage under this Law shall not by itself be a ground for a claim for an increase of the wage of an employee beyond the minimum wage or for the maintenance of a wage differential by reason of the determination or updating of the minimum wage.

Average wage.

10. (a) For the purpose of calculating or increasing a wage linked, by law or agreement, to the average wage, there shall not be brought into account changes on the average wage which arise from a difference between the minimum wage, as on the 2nd Nisan 5747 (1st April, 1987) and the minimum wage which was paid to most employees immediately before the coming into force of this Law or which arose from a change in the minimum wage due to its updating.
- (b) The Minister and the Minister of Finance shall publish in *Reshumot* a notice of changes in the average wage which are not to be brought into account for the purposes of subsection (a).

Saving of rights.

11. This Law, except section 9 and 10, shall add to, and not derogate from, the right of an employee by virtue of law, collective agreement, collective arrangement or contract of employment.

Prohibition of stipulation.

12. A right of an employee under this Law cannot be made conditional or waived.

The State as employer.

13. For the purposes of this Law, the State shall be treated like any other employer.

Penalties.

14. An employer who does not pay to his employee a minimum wage under this Law shall be liable to 6 months imprisonment.

Liability of actual employer.

14A. Where an offence under this Law has been committed by a manpower contractor, any person who actually employed the employee shall also be guilty of such offence, unless he proves that the offence was committed without his knowledge and that he took all reasonable steps to prevent the same; in this Section, "manpower contractor" - is as defined in the Employment of Employees by Manpower Contractors Law 5756-1996.

Responsibility of managers.

15. Where an offence under this Law is committed by a body corporate, every person who at the time of its commission is an active director, a partner - other than a limited partner - or a clerk thereof and responsible for the matter in question shall also be guilty of the offence unless he proves that it was committed without his knowledge and that he took all reasonable steps to ensure compliance with this Law.

Work of youth.

16. (a) The Minister may, with the approval of the Knesset Labour and Social Affairs Committee, enact, by regulations, provisions as to the application of this Law to an employee who has not yet completed his eighteenth year. Such regulations may be general, or according to categories of employees or employers.

(b) Regulations under subsection (a) may prescribe a minimum wage at a lower rate than that provided in this Law and may prescribe different rules that those prescribed in this Law for the calculation of the minimum wage, including rules as to wage components to be brought into account.

Protected undertakings.

17. The provisions of this Law shall apply to physically, psychically or intellectually handicapped employees employed in protected undertakings to the budget of which the State Treasury contributes, whether or not such employees have completed their eighteenth year, if the Minister of Labour and Social Affairs so prescribes by regulations with the approval of the Knesset Labour and Social Affairs Committee either generally or for particular categories of cases. The regulations may prescribe a minimum wage lower than that prescribed by this Law.

Implementation and regulations.

18. (a) The Minister is charged with the implementation of this Law and may make regulations as to any matter related to its implementation.

(b) The Minister shall, generally or for particular categories of cases, with the approval of the Knesset Labour and Social Affairs Committee, make regulations -

(1) as to the payment and modes of calculation of minimum wage to an employee whose wage is not paid on a monthly, daily or hourly basis;

(2) as to the payment of a minimum wage to an employee whose wage is paid partly on a monthly, daily or hourly basis;

(3) prescribing additional or supplementary provisions as to the payment and calculation of the minimum wage.

(c) The Minister may, after consultation with the employee organisation to which a majority of organised employees in Israel belong, and with employer organisations which, in his opinion, are representative and concerned with the matter, and with the approval of the Knesset Labour and Social Affairs Committee, prescribe supplementary provisions concerning the calculation of daily and hourly minimum wage rates, and he may in this case prescribe provisions that differ from those in this Law.

Amendment of Labour Courts Law.

19. In the Labour Courts Law, 5729-1969, the words "Minimum Wage Law, 5747-1987" shall be added at the end of the Second Schedule.

Commencement.

20. This Law shall come into force on the 2nd Nisan, 5747 (1st April, 1987).

Temporary provisions.

21. (a) Notwithstanding the definition of "minimum wage" in section 1, the minimum wage shall be -

(1) on the date of the coming into force of this Law, an amount of 525 new shekalim;

(2) on the 8th Tishri, 5748 (1st October, 1987), an amount of 551 new shekalim;
These provisions shall not derogate from the provisions of section 4.

(b) The provisions of section 10 shall apply also to the change in the minimum wage that will occur under subsection (a)(2).

Temporary provision (amendment of 5757)

Notwithstanding the content of the definition of "hourly minimum wage" in Section 1, the hourly minimum wage for the period from the date of the commencement of this Law and until the 25th of Nissan 5757 (30th June 1997) shall be the minimum wage divided by 191.