



The 2024 Minimum Wage Act: A Closer Look at What's New and What's Not

Introduction

The President of the Federal Republic of Nigeria, on 29th July 2024, signed the National Minimum Wage Amendment Bill, 2024 into law. This 2024 amendment aims to improve the living standards of workers' by adjusting wage structures and intervals for their review.

Key Highlights of the New Legislation

The 2024 amendment modifies the previous National Minimum Wage Act, No. 8 of 2019, introducing significant changes:

- **Wage Increase:**

The minimum wage has been raised from ₦30,000 to ₦70,000.

- **Review Period Reduction:**

The interval for reviewing the minimum wage has been shortened from five to three years, enabling more responsive adjustments to economic conditions.

Unchanged Exemptions

Despite these beneficial changes, the amendment retains several exemptions specified under Section 4 from the 2019 Act:

- **Part-Time and Commission-Based Employees:**

Workers earning on a part-time or commission basis remain exempt from the minimum wage.



- **Small Establishments:**

Businesses with fewer than 25 employees are not obligated to pay the statutory minimum wage.

- **Seasonal Workers:**

Employees in seasonal employment, particularly in agriculture, are not covered by the minimum wage requirement.

- **Maritime and Aviation Employees:**

Those employed on vessels or aircraft governed by specific maritime or aviation laws are also excluded.

- **Domestic Workers:**

The amendment does not alter the status of domestic workers, who continue to be exempt from minimum wage protections.

Implications for Stakeholders

- **Individuals:**

Exempted workers will not benefit from the wage increase, potentially limiting their economic participation and stability.

- **Businesses:**

Non-compliance with the new law poses risks of

penalties. Businesses must understand which exemptions apply to manage their obligations effectively.

- **Economy:**

While the increase may boost consumer spending among those who benefit, the ongoing exemptions could maintain income inequality.

- **Financial Services:**

Financial institutions need to consider these exemptions when creating financial products, as workers in exempt categories may face challenges accessing credit.

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As these legislative changes take effect, understanding their implications is crucial for businesses and individuals alike. For personalized guidance and more information on how these developments could affect your decisions, reach out to SimmonsCooper Partners at info@scp-law.com or visit our website at www.scp-law.com for expert advice and support.