



labour

Department:  
Labour  
REPUBLIC OF SOUTH AFRICA



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## Basic Guide to Agency Shop Agreements

A type of collective agreement, an agency shop agreement requires employers to deduct a fee from the wages of non-union workers to ensure that non-union workers, who benefit from the union's bargaining efforts, make a contribution towards those efforts.

### Application

The Labour Relations Act applies to all employers, workers, trade unions and employers' organisations, but does not apply to -

members of the:

- National Defence Force;
- National Intelligence Agency; or
- South African Secret Service.

### See

- [Labour Relations Act](#)

Applies to all workers and employers and aims to advance economic development, social justice, labour peace and the democracy of the workplace.

### What is an Agency Shop Agreement?

An agency shop agreement is a type of collective agreement that requires employers to deduct an agreed agency fee from the wages of workers who are not members of the trade union.

The aim of an agency shop is to ensure that non-union workers, who nevertheless benefit from the union's bargaining efforts, make a contribution towards those efforts.

### Parties

An agency shop agreement is concluded by -

- a majority trade union (1 or more trade unions whose members are a majority of the workers employed), and
- an employer or employers' organisation.

### Deductions

Employers do not need a worker's permission to deduct the agreed agency fee from the worker's wages.

*Based on Legislation in Section 25, of the Labour Relations Act*

### Conscientious Objectors

Conscientious objectors (workers who refuse to belong to a union on the grounds of conscience) may request that their fees are paid to a fund administered by the Department of Labour.

*Based on Legislation in Section 25, of the Labour Relations Act*

### Legal Force

An agency shop agreement is legally binding only if -

- workers are not forced to become members of the trade union;
- the agency fee is the same as or less than the trade union subscriptions (where there are 2 or more trade unions, the highest subscription may be applied);
- the fees are only used to advance or protect the socio-economic interests of workers.

*Based on Legislation in Section 25, of the Labour Relations Act*

### Related Links

- [Basic Guide to Closed Shop Agreements](#)

The Labour Relations Act allows for an agreement requiring non-union workers to join the union

- [Basic Guide to Collective Agreements](#)

The Labour Relations Act provides for agreements that alter conditions of employment

- [Basic Guide to Employers' Organisations](#)

Under the Labour Relations Act, employers may form or join groups that represent employers in collective bargaining

- [Basic Guide to Trade Unions](#)

Trade unions are necessary for bargaining for workers' rights and benefits and they regulate industrial relations.