

ILO minimum basic wage for an AB and IBF basic wages – Difference explained

Members will be aware that, following negotiations concluded in 2018 in Geneva, the ILO recommendation for the minimum basic wage of an AB will go up to \$641 a month as of January 2021.

Taken at face value this would suggest that some of the IBF CBAs negotiated in 2018 (which will still be in force in 2021 as a result of the recent agreement on postponing talks) are below this minimum, the reality is that **this is most definitely not the case.**

This Circular is intended to re-iterate that the two numbers are not based on the same principles and to provide a simple mathematical explanation to be used in case any inspector was to challenge this concept.

The ILO Basic salary for an AB is calculated on 8 hours work per day on a 6 days week (a 48 hours week) whilst IBF agreements are based on either 5 days or 5.5 days (40 hours week or 44 hours week).

Should the basis of the ILO Minimum be questioned by any ITF inspector please refer them to the ITF's own [website](#) that makes it abundantly clear.

When dealing with Port state or Flag state inspectors then they should be referred to the [ILO report](#) on the meeting of the Subcommittee of the Joint Maritime Commission Joint Working Group on Wages of Seafarers in July 2003 which clearly explains the background discussions between employers and seafarers representatives that led to the establishment of such a principle.

If all of this was still not evidence enough inspectors should be referred to Paragraph 3 of MLC Standard A2.3 – Hours of work and hours of rest which says:

3. Each Member acknowledges that the normal working hours' standard for seafarers, like that for other workers, shall be based on an eight-hour day with one day of rest per week and rest on public holidays. However, this shall not prevent the Member from having procedures to authorize or register a collective agreement which determines seafarers' normal working hours on a basis no less favourable than this standard.

This is exactly what the IBF has agreed to do, all our Collective Bargaining Agreements (CBAs) are indeed on a basis that is "no less favourable" and indeed significantly more beneficial for seafarers. Evidence of this can be found in Article 6.1 of the IBF Framework Agreement reproduced below for ease of reference:

6.1 The normal hours of duty shall be as specified in Appendix 1, but in no case shall exceed either:

- a) Eight hours per day from Monday to Friday and four hours on Saturday; or
- b) Eight hours per day from Monday to Friday inclusive.

The Maths Explained:

A seafarer on the ILO minimum of \$641 would need to work 208 hours a month to earn this basic salary (48 hours x 52 weeks / 12 months) and before earning any overtime. A seafarer on an IBF agreement would need to work 173 hours a month (40 hours x 52 weeks / 12 months) or 191 hours a month (44 hours x 52 weeks / 12 months). All hours worked above 173 and 191 respectively are compensated at the enhanced rate of 125% of basic hourly wage.

If we wanted to draw a comparison between these numbers this would only be possible by extrapolating the hourly rate for this basic salary and in the IBF set-up the equivalent of the ILO minimum would be **\$533 for a 40 hours week agreement** ($641 / 208 \times 173$) and **\$588 for a 44 hours week agreement** ($641/208 \times 191$). Needless to say, all basic salaries in our negotiated CBAs are far above these figures.

The differences between the ILO minimum and all IBF standards don't end here as it is widely recognised that our full wages and most other terms and conditions are significantly above the recommended minimum, explaining these differences would require a much more extensive document than this Circular so we thought the easiest way to show the most obvious differences in terms of full wages (and leave, overtime and public holidays) would be to share an ITF/ICS extrapolation of the ILO minimum as of 1st Jan 2021 which shows how an AB needs to **work 312 hours a month** to earn a contractual minimum of **\$1126**.

The lowest IBF wage for a seafarer working **276 hours a month** (either 173 + 103 Guaranteed Overtime or 191 + 85 Guaranteed Overtime) is currently **\$1325** or 17.7% more for working 11.5% less hours. Any overtime worked above 276 hours a month is paid at the 125% rate making the real difference even bigger.

Action:

IMEC will write to a number of key Flag states to make sure there are no misunderstandings on this issue but we strongly encourage Members to take the initiative and write to the flag states they work with well ahead of the new minimum coming into force so that any misconceptions can be addressed before they have an impact on the smooth operation of your vessels.

Should you require further clarification on what is a rather complex full comparison please don't hesitate to contact the undersigned.

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