



FURNITURE BARGAINING COUNCIL

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CIRCULAR 05/21

TO ALL EMPLOYERS AND EMPLOYEES *(Employers and Employees in the Free State Province only)*

At the Industry's Wage Negotiations during March of 2020, the Parties to the Council agreed that the Industry's **Main Collective Agreement** be amended and extended to non-parties for a period of 3 years. In terms of this Agreement, the following amendments become effective to all establishments/employers in year 2 from the **first full pay week of May 2021**.

Key Amendments

- Prescribed Across the Board Increases of actual hourly rates of pay;
- Prescribed Minimum Hourly Rates of Pay;
- Increase Threshold applicable from year 2 of the negotiated 3 year Agreement;
- Increase in Council Levies.

1. PRESCRIBED ACROSS THE BOARD INCREASES OF ACTUAL HOURLY RATES OF PAY EFFECTIVE FROM THE FIRST FULL PAY WEEK IN MAY 2021.

Please Note:

1.1 Notwithstanding that an employee may be receiving an hourly rate of pay, which is in excess of the prescribed minimum hourly rate of pay for the work performed by him or her, such an employee nevertheless still qualifies for an across the board increase of his or her actual hourly rate of pay, effective from the **first full pay week in May 2021**.

1.2 General Workers:

1.2.1 The Across the Board Increase to be offset against the National Minimum Wage (NMW) increase already implemented on 1 March 2021 for General Workers.

1.2.2 The offset for General Workers, who received an increase due to the implementation of the NMW on 01 March 2021, may be calculated by deducting the prescribed NMW increase effected on 1 March 2021, from the General Worker's current hourly rate of pay and adding to that result, the new prescribed Across the Board Increase of 6%.

Example: Offset = R21-69 (the current NMW) - 0-93c (NMW increased on 1 March 2021) = R20-76. **Across the board increase** = R20-76 x 6% prescribed Across the Board Increase = R22-01.

2. **Across the Board Increases** of actual hourly rates of pay must be calculated by adding the applicable percentage increase as indicated hereunder to employees' current hourly rates of pay for all employees. (With due application of the offset in paragraph 2 above where applicable)

Occupational Skills Level	Occupational Skills Level Code	Prescribed Across the Board Increases of Actual Hourly Rates of Pay effective from the first full pay week in May 2021
General Worker	05	6% Increase of actual hourly rate of pay, subject to the offset in item 1.2 above
Semi-skilled Employee	04	6% increase of actual hourly rate of pay
Skilled Employee	03	6% increase of actual hourly rate of pay
Chargehand	02	6% increase of actual hourly rate of pay
Foreman/Supervisor	01	6% increase of actual hourly rate of pay

3. PRESCRIBED MINIMUM HOURLY RATES OF PAY (FREE STATE PROVINCE)

NB: All employees working in the Industry, qualify for **at least** the prescribed minimum hourly rate of pay effective from the **first full pay week** in **May 2021**, as listed hereunder:

3.1 General Worker

Occupational skills level	Occupational Skills Level Code	Prescribed Minimum Hourly Rate of Pay effective from 1 March 2021
General Worker	05	R21-69 per hour As per national minimum wage effective from 1 March 2021

3.2 Other Occupational Skills Levels

Occupational skills level	Occupational Skills Level Code	Prescribed Minimum Hourly Rate of Pay effective from the first full pay week in May 2021
Semi-skilled employee	04	R22-39 per hour
Skilled employee	03	R24-80 per hour
Chargehand	02	R26-60 per hour
Foreman & Supervisor	01	R26-60 per hour

4. INCREASE THRESHOLD – APPLICABLE TO ALL OCCUPATIONAL SKILLS LEVELS (Only from Year 2 of the negotiated 3 year Agreement)

Increase thresholds by 40% above all prescribed minimum hourly rates of pay per occupational skills levels are as follows:

Occupational Skills Level	Occupational Skills Level Code	Prescribed Minimum Hourly Rate of Pay	Applicable Threshold of 40%
General Worker	05	R21-69	R30-37
Semi-skilled Employee	04	R22-39	R31-35
Skilled Employee	03	R24-80	R34-72
Chargehand	02	R26-60	R37-24
Foreman/Supervisor	01	R26-60	R37-24

- 4.1 A wage threshold of 40% above any minimum prescribed hourly rate of pay should be implemented as **from the first full pay week in May 2021**, provided that the employee who is already earning a wage **above** the threshold, will only receive the across the board increase **minus 1.5%**.

Example: A **General Worker** earning R32-00 per hour, which is **above** the threshold.

General Worker Prescribed Minimum Hourly Rate of Pay	40% Threshold	Example of employee's Current Hourly Rate of Pay Above Threshold Amount	To only receive ATB increase of 6% minus 1.5% = 4.5% of Current Hourly Rate of Pay
R21-69	R30-37	R32-00	R33-44

- 4.2 In the event that an employee earns above the threshold, only if the full across the board increase should be awarded, such employee may not be awarded the full across the board increase. The employee shall receive **the greater of** an increase up to the threshold, **OR** the across the board increase minus 1.5%.

Example: A **General Worker** earning R30-00 per hour, which is below the threshold.

Increase up to the Threshold	ATB increase minus 1.5%
R30-00 to R30-37 = R0-37 increase	R30-00 x 4.5% (6% minus 1.5%) = R31-35 = a R1-35 increase

Pay the greater increase of the two, which is R1-35 added to the employee's current rate of pay.

5. INCREASE IN COUNCIL LEVIES

To be increased to R13-21 per week payable by the employer and R13-21 per week payable by the employee effective from the **first full pay week in May 2021**.

NB: The remaining provisions of the Industry's Main Collective Agreement remain applicable.

Kindly ensure that all provisions of this Circular are complied with. Please contact the Council's Inspectorate Department should you require any additional information or clarity regarding this Circular.

Please do not contact any junior staff members of the Council for any additional information or clarity regarding this Circular.

A COPY OF THIS CIRCULAR MUST BE DISPLAYED ON YOUR ESTABLISHMENT'S NOTICE BOARD