



## FURNITURE BARGAINING COUNCIL

5<sup>th</sup> Floor ♦ Sondagskoolgebou ♦ 154B Charlotte Maxeka ♦ Bloemfontein

Correspondence to be addressed to: THE PROVINCIAL MANAGER ♦ Post Office Box 3914 ♦ Bloemfontein ♦ 9300  
Telephone (051) 447-1807 ♦ Facsimile (051) 447-2554 ♦ e-mail [freestate@furnbed.co.za](mailto:freestate@furnbed.co.za) ♦ Website [www.furnbed.co.za](http://www.furnbed.co.za)

### CIRCULAR 03/14

#### TO ALL EMPLOYER AND EMPLOYEE PARTY MEMBERS (Falling under the Free State Provincial Office)

#### AMENDMENTS TO THE INDUSTRY'S MAIN COLLECTIVE AGREEMENT

Please be advised that at the Industry's Annual Wage Negotiations this year, it was agreed by all the Parties to the Council, namely the Furniture, Bedding & Upholstery Manufacturers' Association (**FBUMA**), the Chemical, Energy, Paper, Printing, Wood and Allied Workers Union (**CEPPWAWU**) and the National Union of Furniture and Allied Workers of South Africa (**NUFAWSA**) that the Industry's Main Collective Agreement in respect of **their members** be amended as from **July 2014**, as follows:-

1. **Minimum Weekly Wage Rate Increases – Effective from each establishment's first pay week in July 2014**

Occupation Skills Level	Occupation Skills Level Code	Minimum Weekly Wage Rate Increases effective for parties as from the 1 <sup>st</sup> pay week in July 2014 and for non-parties on such date as may be fixed by the Minister of Labour	Minimum Weekly Wage Rates effective for parties as from the 1 <sup>st</sup> pay week in July 2014 and for non-parties on such date as may be fixed by the Minister of Labour
General Worker	05	10% of minimum weekly wages	R473-00
Semi-skilled Employee	04	8.2% of minimum weekly wages	R534-79
Skilled Employee	03	8.2% of minimum weekly wages	R703-05
Chargehand	02	8.2% of minimum weekly wages	R754-22
Foreman/Supervisor	01	8.2% of minimum weekly wages	R754-22

2. **Across the Board Increases of Actual Weekly Wage Rates – Effective from each establishment's first pay week in July 2014.**

**NB:** Notwithstanding that a **CEPPWAWU member** or **NUFAWSA member** may be receiving a weekly wage, which is in excess of the prescribed minimum weekly wage rate for the work performed by him or her, such a **CEPPWAWU** or **NUFAWSA member** nevertheless qualifies for the across the board weekly wage rate increase, effective from his or her establishment's first (1<sup>st</sup>) pay week in **July 2014**, as listed hereunder:-

Occupation Skills Level	Occupation Skills Level Code	Across the Board Increases of Actual Weekly Wage Rates effective for parties as from the 1 <sup>st</sup> pay week in July 2014 and for non-parties on such date as may be fixed by the Minister of Labour
General Worker	05	8.2% of actual weekly wages
Semi-skilled Employee	04	8.2% of actual weekly wages
Skilled Employee	03	8.2% of actual weekly wages
Chargehand	02	8.2% of actual weekly wages
Foreman/Supervisor	01	8.2% of actual weekly wages

Increases of actual weekly wage rates must be calculated by adding 8.2% across the board increase to the actual weekly wage rates of all existing employees.

### 3. **Period of Operation of Agreement**

A two year agreement was reached by the Parties to the Council, ending 30 June 2016.

### 4. **2015 Minimum Weekly Wage Increases – Effective from each establishment's first pay week in July 2015**

**10%** increase on the minimum weekly wage rate of a **General Worker**; and  
**8.2%** increase on the minimum weekly wage rates of **all other categories**.

### 5. **Across the Board Increases of Actual Weekly Wage Rates – Effective from each establishment's first pay week in July 2015**

Across the board increases of actual weekly wage rates, for all categories, applicable from the first pay week of July 2015 shall be 8.2% of actual weekly wages, provided that the CPI rate for the year ending April 2015 is not below 3.5% or above 9.2%. If the official CPI rate for the year ending April 2015 is below 3.5% or above 9.2% the parties to the agreement shall meet to renegotiate wage increases for the period 1 July 2015 to 30 June 2016.

### 6. **Newly Employed, Employee Concession**

The following newly employed, employee concession **may** be applied by FBUMA member employers in order to determine the wages, levies, fees and contributions payable for **newly employed employees who commence employment with an employer for the first time**, provided that the FBUMA member employer concerned is **not** in **Phase 1, Phase 2 or Phase 3** of a **newly established, small employer concession**.

#### **YEAR ONE of employment:**

- (a) **100%** of the prescribed minimum weekly wage rates for General Workers;
- (b) **85%** of the prescribed minimum weekly wage rates for all other Occupation Skills Levels of employees;
- (c) **100%** of the prescribed Council Levies;
- (d) **100%** of the prescribed Leave Pay Fund contributions;
- (e) **100%** of the required Agency Fee; and
- (f) **R5-23 per week** per employee, payable by the employer only for specific Death and Disability benefits which are applicable to newly employed employees.

#### **YEAR TWO of employment:**

- (a) **100%** of the prescribed minimum weekly wage rates for General Workers;
- (b) **90%** of the prescribed minimum weekly wage rates for all other Occupation Skills Levies of employees;
- (c) **100%** of the prescribed Council Levies;
- (d) **100%** of the prescribed Leave Pay Fund contributions;
- (e) **100%** of the prescribed **select type benefit option** sick benefit society contributions for employees who earn **R700-00 per week** or less OR **Additional Provident Fund contributions** to the same value;
- (f) **100%** of the required Agency Fee; and
- (g) **R10-46 per week** per employee, payable by the employer only for specific Death and Disability benefits which are applicable to newly employed employees.

#### **YEAR THREE of employment**

- (a) **100%** of the prescribed minimum weekly wage rates for all the Occupation Skills Levels of employees;
- (b) **100%** of the prescribed Council Levies;
- (c) **100%** of the prescribed Leave Pay Fund contributions;
- (d) **100%** of the prescribed **select type benefit option** sick benefit society contributions for employees who earn **R700-00 per week** or less OR **Additional Provident Fund contributions** to the same value from the employer and the employee;
- (e) **100%** of the required Agency Fee from the employee;
- (f) **R10-46 per week** per employee, payable by the employer only for specific Death and Disability benefits which are applicable to newly employed employees.

## **YEAR FOUR of employment**

- (a) **100%** of the prescribed minimum weekly wage rates for all the Occupation Skills Levels of employees;
- (b) **100%** of the prescribed Council Levies;
- (c) **100%** of the prescribed Leave Pay Fund contributions;
- (d) **100%** of the prescribed **select type benefit option** sick benefit society contributions for employees who earn **R700-00 per week** or less OR **Additional Provident Fund contributions** to the same value from the employer and the employee;
- (e) **100%** of the required Agency Fee from the employee;
- (f) 3% of normal weekly wages for the employee per week, calculated on the establishment's normal ordinary hours of work, plus an equal amount from the employer, subject to standard Death and Disability Scheme contributions being diverted from these Provident Fund contributions.
- (g) **50%** of the prescribed Holiday Bonus Fund contributions.

## **YEAR FIVE of employment**

Full prescribed employer and employee levies, fees and contributions become payable to the Council.

### **7. Calculation of Provident Fund Contributions**

Provident Fund contributions are to be paid to the Council by the employer for each of his employees at a rate of **6%** of the normal weekly wage from the employee per week, calculated on the establishment's normal ordinary hours of work plus an equal amount from the employer, **irrespective of the time worked by an employee or the wages payable to the employee**, with effect from each establishment's **first (1<sup>st</sup>) pay week in July 2014**.

All other provisions regarding the calculation of Provident Fund contributions remain as per the current Main Collective Agreement.

### **8. Short Time and Holiday Bonus Fund Contributions**

An employee on short time shall be entitled to holiday bonus fund contributions for a full day where he has reported to his place of work when required to be present by the employer on any day of short time, as if he has worked the full day.

### **9. Annual Leave Split**

The employer may apply to the Council to have annual leave granted to his employees during the course of the year, for a period other than the industry's prescribed annual closure dates. Such application must be supported by not less than 75% of his employees which are covered by the scope of this agreement. The office of the Council must conduct a ballot to determine the 75% threshold.

### **10. Leave Pay Fund Contributions**

Leave Pay Fund contributions shall be payable to the Council at the prescribed rate by the employer in respect of ordinary hours worked by the employee and on the hours which ordinarily would have been worked by the employee on:

- paid public holidays;
- trade union representative leave days;
- the first 3 days per annum of paid sick leave days on condition that an acceptable medical certificate is presented by the employee to his employer and that such sick leave days do not fall on a Monday or a Friday or on the day before or after a public holiday; and
- family responsibility leave days for the first 2 days only which are related to the death of an employee's spouse, life partner, employee's parent, adoptive parent, grandparent, child, adopted child, grandchild or sibling and upon submission of the relevant death certificate by the employee to his employer.

### 11. Council Levies

The Council levies which are payable by the employer and employee as from each establishment's **first pay week in July 2014** are as follows:

<b>Employer</b>	<b>Employee</b>	<b>Total</b>
R7-40 per week	R7-40 per week	R14-80 per week

### 12. Employment Contracts

Any employer who intends to employ an employee for a fixed term shall enter into a written fixed term contract of employment with such an employee.

Any employer who intends to employ an employee for an indefinite period of employment shall enter into a written indefinite period contract of employment with such an employee.

### 13. Annual Closure

For the period December 2014 to January 2015 (15 consecutive working days). The first day of annual closure for all establishments shall be any day from Monday, 8 December 2014 until Monday, 22 December 2014 and the last day of annual closure for all establishments shall be any day from Wednesday, 31 December 2014 until Wednesday, 14 January 2015.

**NB: All other unamended provisions of the Industry's current Main Collective Agreement remain applicable, together with these amendments.**

**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**

18 June 2014