



FURNITURE BARGAINING COUNCIL

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CIRCULAR 09/12

TO ALL NON PARTY EMPLOYERS AND NON PARTY EMPLOYEES (Excluding Non-Party Employers and Non-Party Employees in the Free State Province)

AMENDMENTS TO THE INDUSTRY'S COLLECTIVE AGREEMENT

Please be advised that at the Industry's Annual Wage Negotiations this year, it was agreed that the Industry's Collective Agreement be amended. The amendments to the Industry's Collective Agreement have been published under Government Notice No. R.739 in the Government Gazette No. 35668 of 14 September 2012 which becomes effective to **all non-party employers and non-party employees** in the industry as from **Monday, 24 September 2012**.

1. Actual Weekly Wage Increases and Minimum Weekly Wage Rates – Effective from Monday, 24 September 2012

NB: Notwithstanding that **an employee** 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 **an employee** nevertheless qualifies for **at least** a minimum weekly wage increase effective from **Monday, 24 September 2012**, as listed hereunder:-

Occupation Skills Level	Occupation Skills Level Code	Minimum Weekly Wage Increases applicable from Monday, 24 September 2012	Minimum Weekly Wage Rates applicable from Monday, 24 September 2012
General Worker	05	7.2% of actual weekly wages	R430-00
Semi-skilled Employee	04	7.2% of actual weekly wages	R633-55
Skilled Employee	03	7.2% of actual weekly wages	R680-72
Chargehand	02	7.2% of actual weekly wages	R734-32
Foreman/Supervisor	01	7.2% of actual weekly wages	R734-32

Increase of Actual Weekly Wages

Increase of actual weekly wages shall be calculated as follows:

Employee's current hourly rate of pay plus 7.2%

2. Furnmed Sick Benefit Society and NUFAWSA Sick Benefit Society

2.1 Select Type Benefit Options

CEPPWAWU and NUFAWSA members employed as from **24 September 2012** who earn R700-00 or less per week and who are eligible for membership of the Furnmed Sick Benefit Society or the NUFAWSA Sick Benefit Society **must belong** to the applicable **select type sick benefit society option** or must contribute additional provident fund contributions to the Council to the same value.

2.2 **Select Type Benefit Option Contributions (Furnmed Sick Benefit Society and NUFAWSA Sick Benefit Society) (excluding Free State Province)**

Employer	Employee	Total
R48-73 per week	R30-00 per week	R78-73 per week

2.3 **Non-Party Employees - Membership and Benefit Waiting Periods (Furnmed Sick Benefit Society and NUFAWSA Sick Benefit Society)**

The rules of both the Furnmed Sick Benefit Society and NUFAWSA Sick Benefit Society have been amended to allow for non-party employees (employees who do not belong to either CEPPWAWU or NUFAWSA) to become members of these Societies, subject to a 9 month benefit waiting period.

2.4 **Benefit Option Selection (Furnmed Sick Benefit Society and NUFAWSA Sick Benefit Society)**

- All **CEPPWAWU and NUFAWSA members** employed prior to **24 September 2012 and who earn R700-00 or less per week must elect** to remain as members of the **Standard Benefit Option** or to become members of the **Select Type Benefit Option** of the Furnmed Sick Benefit Society or NUFAWSA Sick Benefit Society and must exercise such benefit option choice before 1 December 2012 to become effective from 1 January 2013.
- All **CEPPWAWU and NUFAWSA members** employed as from **24 September 2012 and who earn R700-00 or less per week must become members** of the relevant Furnmed Sick Benefit Society and NUFAWSA Sick Benefit Society **Select Type Benefit Option**.

The above mentioned R700-00 per week weekly wages threshold shall escalate in accordance with future across the board average wage increases awarded.

3. **Newly Employed, Employee Concession**

The following newly employed, employee concession **may** be applied by an employer in order to determine the wages, levies and contributions payable for **newly employed employees who commence employment with an employer for the first time as from 24 September 2012**, provided that the 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 rate for General Workers;
- (b) **85%** of the prescribed minimum weekly wage rates for all other Occupational 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 from the employee.

YEAR TWO of employment:

- (a) **100%** of the prescribed minimum weekly wage rate for General Workers;
- (b) **90%** of the prescribed minimum weekly wage rates for all other Occupational 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 from the employee;
- (f) **100%** of the prescribed **select type benefit option** sick benefit society contributions OR **Additional Provident Fund** contributions to the same value;
- (g) Death and Disability Scheme contributions payable by the employer only at a rate of **R5.23 per week**.

YEAR THREE of employment

- (a) **100%** of the prescribed minimum weekly wage rates for all the Occupational Skills Levels of employees;
- (b) **100%** of the prescribed Council Levies;
- (c) **100%** of the prescribed Leave Pay Fund contributions;
- (d) **100%** of the required Agency Fee from the employee;
- (e) **100%** of the prescribed **select type benefit option** sick benefit society contributions OR **Additional Provident Fund** contributions to the same value from the employer and the employee;
- (f) Death and Disability Scheme contributions payable by the employer only at a rate of **R5.23 per week**.

YEAR FOUR of employment

- (a) **100%** of the prescribed minimum weekly wage rates for all the Occupational Skills Levels of employees;
- (b) **100%** of the prescribed Council Levies;
- (c) **100%** of the prescribed Leave Pay Fund contributions;
- (a) **100%** of the required Agency Fee from the employee;
- (b) **100%** of the prescribed **select type benefit option** sick benefit society contributions OR **Additional Provident Fund** contributions to the same value from the employer and the employee;
- (c) Death and Disability Scheme contributions payable by the employer only at a rate of **R5.23 per week**.
- (d) **50%** of the prescribed Holiday Bonus Fund contributions.

YEAR FIVE of employment

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

4. Leave Pay Fund Contributions

Leave Pay Fund contributions are to be paid to the Council by the employer for each of his employees at a rate of **6%** of the employee's wages for the ordinary hours worked by the employee and on the hours which would ordinarily have been worked by the employee on paid public holidays and trade union representative leave days.

Leave pay fund contributions are to be paid to the Council by a working employer at a rate of 6% of a foreman's prescribed minimum weekly wage.

N.B. No leave pay fund contributions are payable on wages which are payable for **overtime wages, hours worked on a Sunday, allowances** and on wages which are payable for **sick leave days, family responsibility leave days and study leave days**.

This leave pay fund contribution rate becomes effective from **Monday, 24 September 2012**

5. Holiday Bonus Fund Contributions

The amount payable by the employer to the Council for each of his employees shall be calculated on the employee's wages for the ordinary hours worked by the employee and on the hours which would ordinarily have been worked by the employee on paid public holidays, trade union representative leave days and on the first 3 days per annum of paid sick leave on condition that such sick leave days do not fall on a Monday or a Friday or on the day before or after a public holiday.

Holiday Bonus Fund contributions are only payable when the above qualifying sick leave days are accompanied by an acceptable sick leave certificate which must be presented by the employee to his employer.

Holiday Bonus Fund contributions are payable for family responsibility leave days for the first 2 days only, which are related to the death of an employee's spouse, life partner, parent, adoptive parent, grandparent, child, adopted child, grandchild or sibling and upon presentation of the relevant death certificate by the employee to his employer.

The Holiday Bonus Fund contribution rates payable to the Council shall be determined as follows:

- **9%** of the employee's ordinary weekly wages if the employee has lost **20 minutes or less** of the **full possible number of ordinary hours** that the employee is entitled to be paid for in any specific pay week.
- **5%** of the employee's ordinary weekly wages if the employee has lost between **21 minutes and 60 minutes** of the **full possible number of ordinary hours** that the employee is entitled to be paid for in any specific pay week.
- **0%** of the employee's ordinary weekly wages if the employee has lost more than **60 minutes** of the **full possible number of ordinary hours** that the employee is entitled to be paid for in any specific pay week.
- **9%** of a foreman's prescribed minimum weekly wage for working employers.

These Holiday Bonus Fund contribution rates become effective from **Monday, 24 September 2012**.

N.B. No Holiday Bonus Fund contributions are payable on wages which are payable for **overtime wages, hours worked on a Sunday, allowances** and on wages which are payable for **study leave days**.

6. Council Levies

The Council levies which are payable by the employer and employee as from **Monday, 24 September 2012**:

Employer	Employee	Total
R6-85 per week	R6-85 per week	R13-70 per week

7. Annual Pay-Out Dates and Penalties for the Late Payment or for absenteeism after the Pay-out of Leave Pay Fund Moneys and Holiday Bonus Fund Moneys

7.1 Leave Pay Fund Moneys

- Leave Pay Fund moneys shall be paid by the employer to his employees between 7 December and 13 December of each year, **failing** which the employer shall pay a penalty equal to 1 month's interest of 15% per annum to the Council on the amount paid late to his employees.
- If an employee receives his Leave Pay Fund moneys between the 7th and the 13th of December and is **absent** from his workplace immediately after payment has been received with no valid medical certificate, the specific employee shall only be entitled to be paid his leave pay moneys on the last working day prior to the establishment's following annual closure dates.
- Leave Pay Fund moneys shall be paid to employees whose contracts of employment have been terminated during the course of a contribution year, within 2 months after such termination date.

7.2 Holiday Bonus Fund Moneys

- Holiday Bonus Fund moneys shall be paid by the employer to his employees between 7 December and 13 December of each year, **failing** which the employer shall pay a penalty equal to 1 month's interest of 15% per annum to the Council on the amount paid late to his employees.

- If an employee receives his Holiday Bonus Fund moneys between the 7th and the 13th of December and is **absent** from his workplace immediately after payment has been received with no valid medical certificate, the specific employee shall only be entitled to be paid his holiday bonus fund moneys on the last working day prior to the establishment's following annual closure dates.
- Holiday Bonus Fund moneys shall be paid to employees whose contracts of employment have been terminated during the course of a contribution year, within 2 months after such termination date.

8. **Wage Payment Procedure – Bank Withdrawal Charges**

All bank withdrawal charges payable by employers to employees in terms of the prevailing Collective Agreement **are abolished** as from **Monday, 24 September 2012**.

9. **Contributions and Levies Payment Thresholds**

The following levies and contributions **payment thresholds** will become effective from **Monday, 24 September 2012**.

9.1 **Leave Pay Fund Contributions**

Payable to the Council by the **employer only**, at the prescribed rate for weekly wages, which are payable to the employee for:

- ordinary hours worked;
- paid public holidays;
- trade union representative leave days.

9.2 **Council Levies**

Payable to the Council by the **employer and the employee** at the prescribed rates, if more than **10 hours weekly wages** are payable to the employee for:

- ordinary hours worked;
- 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.

9.3 **Death and Disability Scheme Contributions (only for employees employed under a newly employed, employee concession)**

Payable to the Council by the **employer only** at the prescribed rate, if more than **15 hours weekly wages** are payable to the employee for:

- ordinary hours worked;
- 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.

9.4 Holiday Bonus Fund Contributions, Provident Fund Contributions, Additional Provident Fund Contributions, Furnmed Sick Benefit Society Contributions and NUFAWSA Sick Benefit Society Contributions

The above **employer (holiday bonus fund contributions)** and **employer and employee (provident fund contributions, additional provident fund contributions, Furnmed sick benefit society contributions and NUFAWSA sick benefit society contributions)** are payable to the Council at the prescribed rates, if more than **20 hours weekly wages** are payable to the employee for:

- ordinary hours worked;
- 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.

10. Night Shift Allowances

A night shift allowance is to be paid to employees at a rate of **13%** of employees' hourly rates of pay for all employees employed **as from Monday, 24 September 2012** and a night shift allowance is to be paid to employees at a rate of **17.5%** of employees' hourly rates of pay for all employees employed **prior to Monday, 24 September 2012**.

11. 2013 Minimum Weekly Wage Increases – Effective from Each Establishment's First Pay Week in July 2013

Across the board minimum weekly wage increases of **7.2%** of actual weekly wages shall become applicable as from each establishment's first pay week in **July 2013**, provided that the CPI rate for the year ending **April 2013** is not below **3.5%** or above **9.2%**. If the official CPI rate for the year ending **April 2013** is below **3.5%** or above **9.2%** the parties to this agreement shall meet to negotiate wage increases for the period 1 July 2013 to 30 June 2014.

12. Wages and Benefits between Rural and Metro Areas

A task team is to be established by the Parties to this agreement to investigate the viability of differentiating wage rates and benefits for rural and metro areas, as well as its possible impact on job creation in the industry.

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

Kindly ensure that all provisions of this Circular are complied with. Please contact your Area Agent or 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