



## FURNITURE BARGAINING COUNCIL

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### CIRCULAR 05/16

**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 MAIN COLLECTIVE AGREEMENT

Please be advised that at the Industry's Annual Wage Negotiations this year, it was agreed that the Industry's Main Collective Agreement be amended. The amendments to the industry's Main Collective Agreement have been published under Government Notice No. 946 in Government Gazette No. 40229 of 26 August 2016, which becomes effective to all non-party employers and non-party employees in the industry as from **Monday, 5 September 2016**. These amendments are as follows:

1. **Minimum Increased Weekly Wage Rates - effective from Monday, 5 September 2016**

Occupation Skills Level	Occupation Skills Level Code	Minimum Weekly Wage Rate Increases effective from Monday, 5 September 2016	Minimum Weekly Wage Rates effective from Monday, 5 September 2016
General Worker	05	9.5% of minimum weekly wages	R569-73
Semi-skilled Employee	04	7.5% of minimum weekly wages	R797-34
Skilled Employee	03	7.5% of minimum weekly wages	R856-71
Chargehand	02	7.5% of minimum weekly wages	R924-16
Foreman/Supervisor	01	7.5% of minimum weekly wages	R924-16

2. **Across the Board Increases of Actual Weekly Wage Rates - effective from Monday, 5 September 2016.**

**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 a minimum across the board weekly wage rate increase, effective from **Monday, 5 September 2016**, as listed hereunder:-

Occupation Skills Level	Occupation Skills Level Code	Minimum Across the Board Increases of Actual Weekly Wage Rates effective from Monday, 5 September 2016
General Worker	05	7.5% of actual weekly wages
Semi-skilled Employee	04	7.5% of actual weekly wages
Skilled Employee	03	7.5% of actual weekly wages
Chargehand	02	7.5% of actual weekly wages
Foreman/Supervisor	01	7.5% of actual weekly wages

**Note:** Across the board increases of actual weekly wage rates must be calculated by adding the applicable percentage increase as indicated above to the actual/normal weekly wage rates for all employees.

After having applied the prescribed 7.5% Across the Board Weekly Wage Increases effective from the first (1st) full pay week in July 2016, an employee may not earn less than the new increased prescribed Minimum Weekly Wage Rates, as indicated in point 1 above.

### 3. **Newly Established, Small Employer Concession – Death and Disability Contribution**

The newly established, small employer concession that may be applied for by newly established employers with not more than ten (10) employees, in order to phase in prescribed wages, levies, fees and contributions, provided that their employees agree thereto, has been amended to provide for a death and disability contribution for an amount of **R10-46 per week, per employee**, payable by the employer only, for specific death and disability benefits for employees as from each establishment's/employer's **first (1<sup>st</sup>) full pay week in September 2016**.

**Please note** that this prescribed death and disability contribution is applicable to **all phases** of this concession, i.e. **phase 1 to phase 4**.

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

The newly employed, employee concession which **may** be applied by 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 (1<sup>st</sup>) time**, provided that the employer concerned is **not in Phase 1, Phase 2 or Phase 3** of a **newly established, small employer concession** has been amended as underlined below.

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

- (a) **100%** of 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 prescribed employer and employee Council Levies;
- (d) **100%** of prescribed employer Leave Pay Fund contributions;
- (e) **100%** of the required Agency Fee (if applicable) payable by the employee; and
- (f) **R10-46 per week, per employee, payable by the employer only for specific Death and Disability benefits.**

**Please note** that **year one** of this concession now provides for an increased death and disability contribution from **R5-23 per week to R10-46 per week**, with increased benefits for employees, as from each establishment's/employer's **first (1<sup>st</sup>) full pay week in September 2016**.

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

- (a) **100%** of prescribed minimum weekly wage rates for General Workers;
- (b) **90%** of the prescribed minimum weekly wage rates for all other Occupation Skills Levels of employees;
- (c) **100%** of prescribed employer and employee Council Levies;
- (d) **100%** of prescribed employer Leave Pay Fund contributions;
- (e) **100%** of the prescribed employer and employee contributions for the **Furnmed Sick Benefit Society Standard benefit** option, **OR Additional Provident Fund contributions** to the same value, payable by the employer and the employee;
- (f) **100%** of the required Agency Fee (if applicable) payable by the employee; and
- (g) **R10-46 per week, per employee, payable by the employer only for specific Death and Disability benefits.**

**Please note** that **year two to year four** of this concession now provides for the payment of standard Furnmed Sick Benefit Society contributions or Additional Provident Fund contributions to the same value, as from each establishment's/employer's **first (1<sup>st</sup>) full pay week in September 2016**.

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

- (a) **100%** of prescribed minimum weekly wage rates for all the Occupation Skills Levels of employees;
- (b) **100%** of prescribed employer and employee Council Levies;
- (c) **100%** of prescribed employer Leave Pay Fund contributions;

- d) 100% of the prescribed employer and employee contributions for the **Furnished Sick Benefit Society Standard benefit** option, OR **Additional Provident Fund contributions** to the same value, payable by the employer and the employee;
- e) 100% of the required Agency Fee (if applicable) payable by the employee; and
- f) **R10-46 per week**, per employee, payable by the employer only for specific Death and Disability benefits.

#### **YEAR FOUR of employment**

- (a) 100% of prescribed minimum weekly wage rates for all the Occupation Skills Levels of employees;
- (b) 100% of prescribed employer and employee Council Levies;
- (c) 100% of prescribed employer Leave Pay Fund contributions;
- (d) 100% of the prescribed employer and employee contributions for the **Furnished Sick Benefit Society Standard benefit** option, OR **Additional Provident Fund contributions** to the same value, payable by the employer and the employee;
- (e) 100% of the required Agency Fee (if applicable) payable by the employee;
- (f) A **3%** Provident Fund contribution from the employer and a **3%** Provident Fund contribution from the employee. (Standard Death and Disability Scheme contributions for employees are diverted from these Provident Fund contributions); and
- (g) **50%** of prescribed employer Holiday Bonus Fund contributions.

#### **YEAR FIVE of employment**

100% of all prescribed fees, levies and contributions shall be payable to the Council by all employers and all employees.

#### **5. Standard Severance Pay and Additional Severance Pay**

The clause that prescribes severance pay has been amended and is effective from each establishment's/employer's **first (1<sup>st</sup>) full pay week** in **September 2016**, now reads as follows:

##### **Standard Severance Pay Payable to Employees**

Severance pay of one week's normal remuneration for each completed year of service is payable: Provided that during the first year and last year of service 6 months' or more service shall be regarded as a completed year of service.

##### **Additional severance Pay Payable to Employees**

- From **3 years** of employment but **less than 10 years** of employment – an **additional 1 week's** normal basic wages calculated on the establishment's ordinary hours of work must be paid as a lump sum.
- From **10 years** of employment but **less than 15 years** of employment – an **additional 2 weeks'** normal basic wages calculated on the establishment's ordinary hours of work must be paid as a lump sum.
- From **15 years** of employment but **less than 20 years** of employment – an **additional 3 weeks'** normal basic wages calculated on the establishment's ordinary hours of work must be paid as a lump sum.
- **20 years or more** of employment – an **additional 4 weeks'** normal basic wages calculated on the establishment's ordinary hours of work must be paid as a lump sum.

#### **6. Remuneration for Time Worked In**

The clause that prescribes remuneration for time worked in, has been amended and is effective from each establishment's/employer's **first (1<sup>st</sup>) full pay week** in **September 2016** now reads as follows:

An employer may, at its **sole discretion**, work time in to a **maximum of three (3) days per year (January to December)**, in lieu of normal working time that will be lost, owing to the closure of the establishment for religious holidays, or for any other reason. All employees concerned shall be paid their ordinary rates of pay, provided that the time expected to be lost shall be worked in prior to such closure and provided that an establishment's affected employees were consulted prior to the working in of time. The payment of wages for the time worked in must be made to the employees concerned during the same pay week, when the time was lost.

#### 7. **Trade Union Representative Leave**

The clause that prescribes trade union representative leave has been amended, with an extra one (1) day's additional senior shop steward's leave and is effective from each establishment's/employer's **first (1<sup>st</sup>) full pay week in September 2016**, this clause now reads as follows:

For the purpose of attending training courses and/or seminars and/or meetings arranged by the trade unions which are parties to this Agreement, trade union representatives shall be entitled to **7 days' paid leave per annum** and senior trade union representatives shall be entitled to **11 days' paid leave per annum**. ONLY for the purpose of attending official meetings of the Bargaining Council, trade union representatives shall be entitled to additional leave for which the Council shall reimburse the trade union representative's establishment for the actual loss of working hours by the trade union representative, which shall be paid to the trade union representative by the establishment, together with his normal weekly wages, as if the trade union representative worked on the day he attended an official meeting of the Bargaining Council.

#### 8. **Paid Sick Leave and Proof of Incapacity**

The clause that prescribes paid sick leave and proof of incapacity in the Main Collective Agreement has been amended to include the following and is effective from each establishment's/employer's **first (1<sup>st</sup>) full pay week in September 2016**:

Paid sick leave granted by the establishment must be regarded as ordinary hours worked towards filling and/or completing the establishment's maximum ordinary weekly hours of work.

#### 9. **Council Levies**

Council levies which are payable by establishments/employers and employees as from each establishment's/employer's **first (1<sup>st</sup>) full pay week in September 2016** are as follows:

<b>Employer</b>	<b>Employee</b>	<b>Total</b>
R8-80 per week	R8-80 per week	R17-60 per week

#### **JULY 2017**

Any amendments to the industry's collective agreements which are applicable as from July 2017, will be made available to you in a separate circular timeously next year.

**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**