



## FURNITURE BARGAINING COUNCIL

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### CIRCULAR 04/18

#### TO ALL EMPLOYERS AND EMPLOYEES (Excluding Employers and Employees in the Free State Province)

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

Please be advised that at the Industry's Wage Negotiations in 2017, it was unanimously agreed by all the Parties to the Council 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. 1465 in Government Gazette No. 41350 of 22 December 2017 and Government Notice No. 200 in Government Gazette No. 41488 of 9 March 2018, which become effective for all establishments/employers and their employees as from all establishments'/employers' **first (1<sup>st</sup>) full pay week in May 2018**.

#### Key Amendments

- Weekly rates of pay to be changed to hourly rates of pay.
- Provident Fund contributions to become fixed rand values.
- Annual wage increases.

#### 1. Across the Board Increases of Actual Hourly Rates of Pay effective from each establishment's first (1<sup>st</sup>) full pay week in May 2018

**NB:** 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 his or her establishment's/employer's **first (1<sup>st</sup>) full pay week in May 2018**.

Occupation Skills Level	Occupation Skills Level Code	Across the Board Increases of Actual Hourly Rates of Pay effective as from the first (1 <sup>st</sup> ) full pay week in May 2018
General Worker	05	7.5% per hour
Semi-skilled Employee	04	7.5% per hour
Skilled Employee	03	7.5% per hour
Chargehand	02	7.5% per hour
Foreman/Supervisor	01	7.5% per hour

**Note:** Across the board increases of actual hourly rates of pay must be calculated by adding the applicable percentage increase as indicated above to employees' current hourly rates of pay for all employees.

## 2. Minimum Hourly Rates of Pay effective from each establishment's first (1<sup>st</sup>) full pay week in May 2018

The current minimum hourly rates of pay remains applicable until further notice:

Occupation Skills Level	Occupation Skills Level Code	Minimum Hourly Rates of Pay effective as from the first (1 <sup>st</sup> ) full pay week in May 2018
General Worker	05	R626-70 per week ÷ 44 hours = <b>R14-24 per hour</b>
Semi-skilled Employee	04	R857-14 per week ÷ 44 hours = <b>R19-48 per hour</b>
Skilled Employee	03	R920-96 per week ÷ 44 hours = <b>R20-93 per hour</b>
Chargehand	02	R993-47 per week ÷ 44 hours = <b>R22-58 per hour</b>
Foreman/Supervisor	01	R993-47 per week ÷ 44 hours = <b>R22-58 per hour</b>

*In the event that the Government implements the **national minimum wage** or any amendments thereto after 1 May 2018 and the wage rates of the employees above are below the national minimum wage, such wage rates shall be adjusted to the national minimum wage in accordance with the implementation date of such national minimum wage rates. Establishments will be notified accordingly.*

## 3. Council Levies

Council levies which are payable by establishments/employers and their employees as from each establishment's/employer's **first (1<sup>st</sup>) full pay week in May 2018** shall be as follows:

Employer	Employee	Total
R10-60 per week	R10-60 per week	R21-20 per week

## 4. Standard Provident Fund contributions

The only amendments to the **Standard Provident Fund Contributions** are reflected below, the remainder of the clause remains unchanged as per the current Main Collective Agreement.

The Standard Provident Fund contributions payable to the Council for qualifying employees shall be as follows:

- 4.1 General Workers: A fixed contribution rate of **R39-00 per week** (6% of R650-00 per week) payable by the employee **plus R39-00 per week** (6% of R650-00 per week) payable by the employer for **General Workers**, which includes standard Death and Disability Scheme contributions.
- 4.2 All other Occupation Skills Levels: A fixed contribution rate of **R56-40 per week** (6% of R940-00 per week) payable by the employee **plus R56-40 per week** (6% of R940-00 per week) payable by the employer for **all other occupational skills levels**, which includes standard Death and Disability Scheme contributions.

## 5. Provident Fund Contributions in respect of the Newly Employed Employee Concession (NEEC)

*The only amendments to the Provident Fund Contributions in respect of the **Newly Employed Employee Concession** are reflected below, the remainder of the clause remains unchanged as per the current Main Collective Agreement.*

The Provident Fund Contributions for employees employed under the **Newly Employed Employee Concession** only becomes payable to the Council from **YEAR FOUR** and shall amount to the following:

### 5.1 YEAR FOUR of employment

General Workers: **R19-50 per week** (3% of R650-00) from the employee PLUS an equal amount per week from the employer.

All other Occupation Skills Levels: **R28-20 per week** (3% of R940-00) from the employee PLUS an equal amount per week from the employer.

### 5.2 YEAR FIVE of employment

General Workers: **R39-00 per week** (6% of R650-00) from the employee PLUS an equal amount per week from the employer.

All other Occupation Skills Levels: **R56-40 per week** (6% of R940-00) from the employee PLUS an equal amount per week from the employer.

## 6. Death and Disability Scheme (DDS) Contributions in respect of the Newly Employed Employee Concession

*The only amendments to the DDS Contributions in respect of the **Newly Employed Employee Concession** are reflected below, the remainder of the clause remains unchanged as per the current Main Collective Agreement.*

The DDS Contributions for employees employed under the **Newly Employed Employees Concession** payable to the Council from **YEAR ONE of employment** shall amount to the following:

**YEAR FOUR**  
of employment: R8-00 per week by the employee and R8-00 per week by the employer will be diverted from the Provident Fund Contributions for employees under the Newly Employed Employee Concession. (Refer to in item 5.1 above)

**YEAR FIVE**  
of employment: R13-25 per week by the employee and R13-25 per week by the employer will be diverted from the Provident Fund Contributions for employees under the Newly Employed Employee Concession. (Refer to in item 5.2 above)

## 7. Newly Established Small Employer Concession

*The only amendments to the DDS Contributions in respect of the employees employed under the **Newly Established Small Employer Concession** are reflected below, the remainder of the clause remains unchanged as per the current Main Collective Agreement.*

**PHASE THREE:** Standard Death and Disability Scheme contributions of R13-25 per employee per week as well as an amount of R13-25 per employer per week shall be diverted from the Standard Provident Fund contributions, which replaces the requirement for the payment of a fixed Death and Disability Scheme contribution as required in terms of Phases One and Two of this concession.

## 8. Subsistence Allowance

A minimum subsistence allowance of **R80-00** per night is payable. (All areas excluding the Free State Province)

## 9. Overtime

An employer may request an employee to work overtime. This request shall not unreasonably be rejected and the employee shall not be permitted to work overtime in excess of 15 hours in any one pay week. All employees shall be given at least 24 hours' prior notice of overtime to be worked. For overtime to be worked in excess of 15 hours in any pay week, prior permission shall be obtained from the Council with proper written motivation.

## 10. Leave Pay Fund Contributions

Leave Pay Fund contributions payable by the employer/establishment to the Council shall be calculated at a rate of **6.25%** of the ordinary hours worked by the employee and on the hours which would ordinarily have been worked by the employee on:

- 10.1 paid public holidays;
- 10.2 paid trade union representative leave days;
- 10.3 paid sick leave days;
- 10.4 paid family responsibility leave days; and
- 10.5 paid study leave days.

## 11. Holiday Bonus Fund Contributions

The Holiday Bonus Fund contributions payable by the employer/establishment to the Council shall be calculated as follows:

- 11.1 **8.75%** 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.
- 11.2 **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 or in any specific pay week.
- 11.3 **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.
- 11.4 **8.75%** of a foreman's/supervisor's weekly rate of pay for working employers.
- 11.5 No Holiday Bonus Fund contributions are payable on overtime, hours worked on a Sunday, allowances and on wages which are payable for study leave days.
- 11.6 An employee shall be entitled to Holiday Bonus Fund contributions at the prescribed rate for a full days' pay, if he/she has reported to his place of work when required to be present by the employer, on any day when the establishment is working **short time**.

## 12. Period of Operation of Agreement

This Agreement shall, in terms of Section 31 and Section 32 of the Labour Relations Act, become binding on all employers and employees as from **1 May 2018** until **30 April 2020**.

Amendments relating to the second year of the negotiated two (2) year agreement (1 May 2019 to 30 April 2020) will be contained in a future circular to the Industry.

**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**