



## FURNITURE BARGAINING COUNCIL

Suite 13 ♦ Reitz Park ♦ 80 President Reitz Avenue ♦ Westdene ♦ Bloemfontein ♦ 9301  
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 06/22**

#### **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 3 from the **first full pay week of May 2022**.

#### **Key Amendments**

- Prescribed Across the Board Increases of actual hourly rates of pay;
- Prescribed Minimum Hourly Rates of Pay;
- Increase Threshold;
- 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 2022**

##### **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 2022**.

##### **1.2 General Workers (possible offset):**

**THIS ONLY APPLIES TO EMPLOYEES WHOSE WAGE RATES WERE AFFECTED BY THE GOVERNMENT'S INCREASE OF THE NATIONAL MINIMUM WAGE ON 01 MARCH 2022**

**1.2.1** The Across the Board Increase to be offset against the Government's National Minimum Wage (NMW) increase already implemented on 1 March 2022 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 2022, should be calculated by deducting the prescribed NMW increase provided on 1 March 2022, from the General Worker's current hourly rate of pay and adding to that result (the "old wage"), the new prescribed Across the Board Increase of 6%. This will show if the employee must receive a further increase, over and above the Government's NMW increase that was provided on 01 March 2022, and if so, what the additional increase must be.

**Example 1 to calculate the offset of the General Worker who received R 21.69 as at 28 February 2022:**

- ❖ R23-19 (the current actual NMW from 1 March 2022) **Across the board increase** = R21-69 ("old wage as at 28 February 2022 + 6% prescribed Across the Board Increase = R22-99. The latter R22-99 is lower than the prescribed NMW of R23-19 implemented 01 March 2022 and the employee must therefore still receive the higher value of R23-19, but there is no additional increase from the first full pay week in May 2022.

**Example 2 to calculate the offset of the General Worker who received R 22.10 as at 28 February 2022:**

- ❖ R23-19 (the current actual NMW from 1 March 2022) **Across the board increase** = R22.10 ("old wage as at 28 February 2022) + 6% prescribed Across the Board Increase = R23.43. The latter R23.43 is 24 cents higher than the prescribed NMW of R23-19 (current wage from 01 March 2022) and the employee must therefore receive the higher value of R23-43 as from the first full pay week in May 2022. The FBC agreement therefore requires an increase of 24 cents in the employee's current rate of R23.19 as from the first full pay week in May 2022.

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 2022
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 (EXCLUDING FREE STATE PROVINCE)**

**NB:** All employees working in the Industry and who are appointed on or after the first full pay week in May 2022, shall qualify for **at least** the prescribed minimum hourly rate of pay, as listed hereunder:

3.1 **General Worker**

Occupational skills level	Occupational Skills Level Code	Prescribed Minimum Hourly Rate of Pay effective from 1 March 2022
General Worker	05	R23-19 per hour As per national minimum wage effective from 1 March 2022

### 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 2022
Semi-skilled employee	04	R23-51 per hour
Skilled employee	03	R25-79 per hour
Chargehand	02	R27-66 per hour
Foreman & Supervisor	01	R27-66 per hour

#### 4. INCREASE THRESHOLD – APPLICABLE TO ALL OCCUPATIONAL SKILLS LEVELS

The increase thresholds of 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% above the rate
General Worker	05	R23-19	R32-47
Semi-skilled Employee	04	R23-51	R32-91
Skilled Employee	03	R25-79	R36-11
Chargehand	02	R27-66	R38-72
Foreman/Supervisor	01	R27-66	R38-72

- 4.1 The increase thresholds of 40% above all prescribed minimum hourly rates of pay should be applied as **from the first full pay week in May 2022**, provided that the employee who is already earning a wage **above** the threshold, will only receive the across the board increase **minus 1.5%**. (6% - 1.5% = 4.5%)

**Example:** A **General Worker** earning R34-00 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
R23-19	R32-47	R34-00	R35-53

- 4.2 In the event that an employee earns above the threshold, when the full across the board increase is 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%. (6% - 1.5% = 4.5%)

**Example:** A **General Worker** earning R31-00 per hour, which is below the threshold.

Increase up to the Threshold	ATB increase minus 1.5%
R31-00 to R32-47 = <b>R1-47</b> increase	R31-00 x 4.5% (6% minus 1.5%) = R32-40 = a <b>R1-40</b> increase

**Pay the greater increase of the two, which is R1-47 added to the employee's current rate of pay.**

**5. INCREASE IN COUNCIL LEVIES**

To be increased to R14-00 per week payable by the employer and R14-00 per week payable by the employee effective from the **first full pay week** in **May 2022**.

**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**

7 April 2022