



FURNITURE BARGAINING COUNCIL

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CIRCULAR 06/24

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

At the Industry's Wage Negotiations during January 2023, it was unanimously agreed by all the Parties to the Council that the Industry's **Main Collective Agreement** be amended and extended to non-parties as part of a multiyear agreement. The amendments to the Industry's Main Collective Agreement for year 2 become effective for all employees and employers from the **first full pay week in May 2024**.

Key Amendments

- Prescribed across-the-board increases of actual hourly rates of pay
- Prescribed minimum hourly rates of pay
- Increase Threshold
- Provident Fund contributions
- Council levies

1. PRESCRIBED ACROSS-THE-BOARD INCREASES OF ACTUAL HOURLY RATES OF PAY EFFECTIVE FROM THE FIRST FULL PAY WEEK IN MAY 2024 (FREE STATE PROVINCE ONLY)

Employees working in the Industry may already be receiving weekly wages which are above the prescribed minimum weekly wage rates for the particular work performed by them. Such employees nevertheless also qualify for the prescribed across-the-board weekly wage increases, effective from the first full pay week in May 2024, subject thereto that NO employee may be remunerated below the prescribed National Minimum Wage Rate OR the prescribed minimum hourly rates of pay.

Occupation Skills Level	Occupation Skills Level Code	Prescribed Across-the-board Increases of Actual Hourly Rates of Pay effective from the first full pay week in May 2024
General Worker	05	6% Increase of actual hourly rate of pay, subject to the offset in item 1.2 below.
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

- 1.1** Prescribed 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.

- 1.2 General Workers:** The prescribed **across-the-board increase to be offset** against the Government's National Minimum Wage (NMW) rate increase, already implemented on 1 March 2024, for General Workers who, as a result thereof, received an increase on 1 March 2024.

The offset for General Workers, who received an increase due to the implementation of the NMW on 1 March 2024, should be calculated by deducting the prescribed NMW **increase provided** on 1 March 2024, 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 1 March 2024, and if so, what the additional increase must be.

❖ **EXAMPLE 1 to calculate the offset of the General Worker who received R25-42 as at 29 February 2024:**

R27-58 (the current actual NMW introduced from 1 March 2024). **Across-the-board increase** = R25-42 ("old wage as at 29 February 2024 + 6% prescribed across-the-board increase = R26-95 The latter R26-95 is lower than the prescribed NMW of R27-58 implemented 1 March 2024 and the employee must therefore still receive the higher value of R27-58, but **there is no additional increase on 1 May 2024.**

❖ **EXAMPLE 2 to calculate the offset of the General Worker who received R26-70 as at 29 February 2024:**

R27-58 (the current actual NMW from 1 March 2024). **Across the board increase** = R26-70 ("old wage as at 29 February 2024) + 6% prescribed across-the-board increase = R28-30. The latter R28-30 is 0.72 cents higher than the prescribed NMW of R27-58 (current wage from 1 March 2024) and the employee must therefore receive the higher value of R28-30 as from 1 May 2024. The FBC agreement therefore requires **an increase of 0.72 cents** in the employee's current rate of R27-58 as from 1 May 2024.

2. PRESCRIBED MINIMUM HOURLY RATES OF PAY (FREE STATE PROVINCE ONLY)

NB: All employees working in the Industry and who are appointed on or after the first full pay week in May 2024, shall qualify for **at least** the prescribed minimum hourly rate of pay, as listed hereunder:

2.1 General Worker – Effective from 1 March 2024

Occupation skills level	Occupation Skills Level Code	Prescribed Minimum Hourly Rate of Pay effective from 1 March 2024
General Worker	05	R27-58 per hour As per National Minimum Wage Rate effective from 1 March 2024

2.2 Semi-Skilled Employee – Effective from 1 March 2024

Occupation skills level	Occupation Skills Level Code	Prescribed Minimum Hourly Rate of Pay effective from 1 March 2024
Semi-skilled employee	04	R27-58 per hour As per National Minimum Wage Rate effective from 1 March 2024

2.3 Semi-Skilled Employee – Effective from the First Full Pay Week in May 2024

Occupation skills level	Occupation Skills Level Code	Prescribed Minimum Hourly Rate of Pay effective from the first full pay week in May 2024
Semi-skilled employee	04	R27-88 per hour

2.4 Other Occupation Skills Levels – Effective from the First Full Pay Week in May 2024

Occupation skills level	Occupation Skills Level Code	Prescribed Minimum Hourly Rate of Pay effective from the first full pay week in May 2024
Skilled employee	03	R29-26 per hour
Chargehand	02	R31-38 per hour
Foreman & Supervisor	01	R31-38 per hour

3. INCREASE THRESHOLD – APPLICABLE TO ALL OCCUPATION SKILLS LEVELS

The increase thresholds of 40% above all prescribed minimum hourly rates of pay per occupation skills levels are as follows:

Occupation Skills Level	Occupation Skills Level Code	Prescribed Minimum Hourly Rate of Pay	Applicable Threshold of 40% above the rate
General Worker	05	R27-58	R38-61
Semi-skilled Employee	04	R27-88	R39-03
Skilled Employee	03	R29-26	R40-96
Chargehand	02	R31-38	R43-93
Foreman/Supervisor	01	R31-38	R43-93

- 3.1** 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 2024**, provided that the employee who is already earning a wage **above** the threshold, will only receive the prescribed across-the-board increase **minus 1.5%**. (6% - 1.5% = 4.5%).

EXAMPLE: A **General Worker** earning R39-00 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 the prescribed Across-the-board increase of 6% minus 1.5% = 4.5% of Current Hourly Rate of Pay
R27-58	R38-61	R39-00	R40-76

- 3.2** In the event that an employee earns above the threshold, only when the full prescribed across-the-board increase is awarded, such employee may not be awarded the full prescribed across-the-board increase. The employee shall receive **the greater of** an increase up to the threshold, **OR** the prescribed across-the-board increase minus 1.5%. (6% - 1.5% = 4.5%).

EXAMPLE: A **General Worker** earning R38-00 per hour, which is **below** the threshold.

Increase up to the Threshold	Prescribed Across-the-board increase minus 1.5%
R38-00 to R38-61 = R0-61 increase	$R38-00 \times 4.5\% (6\% \text{ minus } 1.5\%) = R39-71 = \text{a } \mathbf{R1-71} \text{ increase}$

Pay the greater increase of the two, which is R1-71 added to the employee's current rate of pay.

4. PROVIDENT FUND CONTRIBUTIONS

4.1 Provident Fund Contributions – All Occupation Skills Levels

Provident Fund contributions payable to the Council from the first full pay week in May 2024, shall be calculated on the following new sliding scale per wage band for all Occupation Skills Levels:

4.1.1 Wages from R0 to R1 361-00 per week

5% of normal weekly wages from the employee per week, calculated on the establishment's normal ordinary hours of work per week (**not actual hours worked**), plus an equal amount from the employer.

4.1.2 Wages from above R1 361-00 to R1 701-00 per week

5.2% of normal weekly wages from the employee per week, calculated on the establishment's normal ordinary hours of work per week (**not actual hours worked**), plus an equal amount from the employer.

4.1.3 Wages from above R1 701-00 to R2 268-00 per week

5.35% of normal weekly wages from the employee per week, calculated on the establishment's normal ordinary hours of work per week (**not actual hours worked**), plus an equal amount from the employer.

4.1.4 Wages from above R2 268-00 per week

5.5% of normal weekly wages from the employee per week, calculated on the establishment's normal ordinary hours of work per week (**not actual hours worked**), plus an equal amount from the employer.

The Rand amounts contained in the above sliding scales applicable to the Provident Fund contributions, will be adjusted in accordance with the applicable year's across-the-board increases.

5. COUNCIL LEVIES

To be increased to R15-45 per week per employee payable by the employer and R15-45 per week payable by the employee effective as from the **first full pay week in May 2024**.

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