



FURNITURE BARGAINING COUNCIL

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CIRCULAR 03/26

TO ALL EMPLOYERS IN THE FURNITURE MANUFACTURING INDUSTRY

NEW PAYMENT ALLOCATION PROCEDURE BY COUNCIL

1. INTRODUCTION

- 1.1 The Furniture Bargaining Council (the Council) hereby gives notice to all establishments within its scope, that the Council resolved to change the manner in which payments received from the Industry in respect of monthly fees, levies and contributions, will be allocated on our system against establishments' accounts, from a particular pre-determined date in future.
- 1.2 This Circular is issued in continuation of, and must be read together with, the Industry's Main Collective Agreement and previous circulars issued in this regard by the Council, regulating the payment and allocation of monthly fees, levies and/or contributions.

2. CURRENT PAYMENT ALLOCATION PROCEDURE BY COUNCIL

- 2.1 Currently, payments received by the Council from establishments in the Industry for fees, levies and contributions in relation to Standard Funds and/or Provident Fund, are allocated to the **oldest outstanding debt** of the establishment reflected on the system against the account of a particular establishment, irrespective of the month in which such payment is made by the establishment.
- 2.2 The payment allocation method described above in paragraph 2.1, is currently applied uniformly in all circumstances, except for payments made into the **Disputes Account against an arbitration case reference number**, in which event the payment will be allocated to the period that the case relates to.

3. NEW PAYMENT ALLOCATION PROCEDURE BY COUNCIL

- 3.1 After due consideration of requests and suggestions received from the Industry, as well as best practice advice from advisory auditing companies, Council has resolved to change its allocation practice for fees, levies and contributions received, from the current "**oldest outstanding debt allocation**" to the revised or new "**specific month debt allocation**", with effect from **1 April 2026**. The Council will therefore, with effect from **1 April 2026**, commence with the new allocation practice of allocating any payment received from an establishment in the Industry for fees, levies and/or contributions, to the specific month as directed by the establishment on the establishment's monthly electronic funds transfer (EFT) payment reference, as set out in clause 4 of this Circular below.

- 3.2** Important to note that for operational and accounting purposes, each payment and payment reference may ONLY relate to ONE specific single month. In the event that a specific payment is more than the required assessed amount, such overpayment will reflect as a credit on your statement for that specific single month. The latter credit amount will remain as such, until the establishment notified the Council in writing of the month to which the credit must be allocated. A shortfall in a specific monthly payment will reflect as a debit amount on your statement for that specific single month and will require an additional payment and reference direction from the establishment as prescribed hereunder.
- 3.3** This new allocation protocol is intended to improve clarity in terms of the receipting and allocation of payments received from an employer/establishment and how such payment reflects on the Council's system and consequently on the statement of the employer concerned.

4. PAYMENT REFERENCES

- 4.1** In order to give effect to the revised or new allocation practice, it is not only important, but critical that **all payments (EFTs)** made by establishments to the Council with effect from **1 April 2026**, be made into the correct bank account for either Standard Funds and/or Provident Fund, as applicable.

The above payments must then furthermore simultaneously be clearly marked or referenced in order to reflect the following details, as their **payment references**. (Payments in **relation to disputes**, must still be referenced as indicated in paragraph 2.2 above with the **arbitration case reference number**):

4.1.1 Allocation of Standard Funds and Provident Fund Payments

In respect of **Standard Funds and Provident Fund payments**, establishments must ensure that the following information is reflected **in the payment reference when making the payment**:

- 4.1.1.1** The **establishment industry number** as reflected on the registration certificate issued by the Council. The number must be captured **without any blank spaces or special characters**.

Example: **GP001992005**

- 4.1.1.2** The **specific contribution month and year** to which the payment must be allocated.

Example: **012026** (January 2026)

Only **numeric characters** may be used when referencing the month and year. **No spaces, special characters or alphabetical characters may be used**.

- 4.1.1.3** The **establishment industry number** and the **contribution month and year** must be combined into a single payment reference on your payment advice, with one space between them.

Example: **GP001992005 012026**

4.2 As further examples the full payment reference may therefore be as follows:

Example A:

GP001992005 012026

This reference indicates a payment for an establishment with an Industry Number: GP 00199/2005, and choosing the payment to be allocated to the January 2026 period (012026).

Example B:

P000222021 092025

This reference indicates a payment for an establishment with an Industry Number: P 00022/2021, and choosing the payment to be allocated to the September 2025 period (092025).

- 4.3 Failure to include the payment reference as specified above, may result in delays in processing and allocating the establishment payments, until specific written referencing is received by Council from the establishment.
- 4.4 The administration of the Council will do everything within its power to contact the particular establishment as soon as possible, in order to obtain a written directive in relation to the allocation of the payment received, as explained above. We appeal to all establishments to assist our office with this endeavour, in order to minimise any unnecessary delays with this transformation.
- 4.5 Where a payment advice does not comply with the format prescribed above, the Council reserves the right in the absence of a corrected written directive from the employer/establishment, to allocate such payment at its discretion in accordance with its previously approved debt allocation procedures, namely to the oldest outstanding debt. The latter will occur fourteen (14) days after our latest request as in paragraph 4.4 above.
- 4.6 These above requirements are important as the payment allocation process will be automated once we are satisfied that the users in the Industry has sufficiently adapted to the new system. It is also critical to ensure accurate allocation of all payments received from the establishment

5. EFFECT OF THE CHANGE

- 5.1 The revised allocation practice does **NOT** waive, extinguish or compromise any outstanding fees, levies and/or contributions due by any employer/establishment, whether that be for Standard Funds, Provident Fund or any Dispute.
- 5.2 All existing and future obligations arising in terms of the Industry's Collective Agreements, remain enforceable and shall be collected with the same commitment through the existing collection process.

6. DATE OF IMPLEMENTATION

The revised allocation practice shall apply to all payments received by the Council on or after **1 April 2026**.

7. ENQUIRIES

Any enquiries regarding this Circular may be directed to the Council's offices during normal business hours.

Kindly ensure that the provisions of this Circular are complied with. Do not hesitate to contact the Council's Inspectorate Department should you require any additional information.

Please do not contact any junior staff members of the Council in this regard.

10 March 2026