



## FURNITURE BARGAINING COUNCIL

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### CIRCULAR 09/08

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

Sir/Madam

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

Please be advised that at the Industry's Annual Wage Negotiations this year, it was agreed that the Industry's Collective Agreement be amended. The amendments to the Industry's Collective Agreement have been published under Government Notice No. R.966 in Regulation Gazette No. 8960 of Government Gazette No. 31404 of 12 September 2008, which becomes applicable to **all employers and employees** in the industry as from **Monday, 22 September 2008**.

#### 1a. **Minimum Weekly Wage Increases and Minimum Weekly Wage Rates – Furniture, Bedding & Upholstery Manufacturing Sector**

**NB:** Notwithstanding that an employee working in the Furniture, Bedding & Upholstery Sector may be receiving a weekly wage, which is already in excess of the minimum weekly wage rate for the work performed by him/her, such an employee nevertheless qualifies for at least the minimum weekly wage increase effective from **Monday, 22 September 2008**, as listed hereunder:-

| Occupation Skills Level             | Occupation Skills Level Code | Minimum Weekly Wage Increases Applicable as from 22 September 2008 | Minimum Weekly Wage Rates Applicable as from 22 September 2008 |
|-------------------------------------|------------------------------|--|--|
| Unskilled Employee / General Worker | 05                           | 8.0% of actual weekly wages  | R400-00  |
| Semi-skilled Employee               | 04                           | 8.0% of actual weekly wages  | R633-55  |
| Skilled Employee                    | 03                           | 8.0% of actual weekly wages  | R680-72  |
| Chargehand                          | 02                           | 8.0% of actual weekly wages  | R734-32  |
| Foreman/Supervisor                  | 01                           | 8.0% of actual weekly wages  | R734-32  |

#### **Increase of Actual Weekly Wages**

Increase of actual weekly wages shall be calculated as follows:

Employee's current hourly rate of pay plus 8.0%

1b. **Minimum Weekly Wage Increases and Minimum Weekly Wage Rates – Curtain Manufacturing Sector**

**NB:** Notwithstanding that an employee working in the Curtain Manufacturing Sector may be receiving a weekly wage, which is already in excess of the minimum weekly wage rate for the work performed by him/her, such an employee nevertheless qualifies for at least the minimum weekly wage increase effective from **Monday, 22 September 2008**, as listed hereunder:-

| <b>Occupation Skills Level</b>      | <b>Occupation Skills Level Code</b> | <b>Minimum Weekly Wage Increases Applicable as from 22 September 2008</b> | <b>Minimum Weekly Wage Rates Applicable as from 22 September 2008</b> |
|-------------------------------------|-------------------------------------|---|---|
| Unskilled Employee / General Worker | 05                                  | 8.0% of actual weekly wages   | R365-00   |
| Semi-skilled Employee               | 04                                  | 8.0% of actual weekly wages   | R516-79   |
| Skilled Employee                    | 03                                  | 8.0% of actual weekly wages   | R587-30   |
| Chargehand                          | 02                                  | 8.0% of actual weekly wages   | R645-25   |
| Foreman/Supervisor                  | 01                                  | 8.0% of actual weekly wages   | R645-25   |

**Increase of Actual Weekly Wages**

Increase of actual weekly wages shall be calculated as follows:

Employee's current hourly rate of pay plus 8.0%

2. **Minimum Subsistence Allowance**

The minimum subsistence allowance for currently employed Drivers and their Crew - R45-00 per individual, per night, effective from **Monday, 22 September 2008**.

As from **Monday, 22 September 2008** all newly employed drivers and crew shall no longer qualify for a subsistence allowance and shall only receive overtime payment equal to 1.5 times their normal hourly rate of pay, irrespective of the overtime hours worked by such drivers and crew.

3. **Leave Pay Fund Contributions and Holiday Bonus Fund Contributions**

As from all establishment's **first (1<sup>st</sup>)** pay weeks in **October 2008**, all employees qualify for separate leave pay benefits and separate holiday bonus benefits, which must be calculated as follows:

3a) **Leave Pay Fund Contributions**

Leave pay fund contributions are only payable by the employer and shall be calculated at **five percent (5%)** of the wages earned by the employee for all ordinary hours worked by the employee and on all the hours which would ordinarily have been worked by the employee on paid public holidays, paid sick leave days, paid study leave days, paid family responsibility leave days and paid trade union representative leave days.

**NB:** No leave pay fund contributions are payable on wages which are payable for overtime worked and allowances which are payable.

### 3b) **Holiday Bonus Fund Contributions**

Holiday bonus fund contributions are only payable by the employer and shall be calculated on the wages earned by the employee for all ordinary hours worked by the employee and on all the hours which would ordinarily have been worked by the employee on paid public holidays, paid sick leave days, paid study leave days, paid family responsibility leave days and paid trade union representative leave days and shall be determined as follows:

- **Ten percent (10%)** of the employees ordinary weekly wages if the employee has lost twenty (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.
- **Five percent (5%)** of the employee's ordinary weekly wages if the employee has lost between twenty one (21) minutes and sixty (60) minutes of the full possible number of ordinary hours that the employee is entitled to be paid for in any specific pay week.
- No holiday bonus fund contributions are payable by the employer when an employee has lost more than sixty (60) minutes of the full possible number of ordinary hours that the employee is entitled to be paid for in any specific pay week.

**NB:** No holiday bonus fund contributions are payable on wages which are payable for overtime worked and allowances which are payable.

#### **Wage Envelopes/Payslips**

Employers must ensure that their employees' wage envelopes/payslips reflect both leave pay earnings and holiday bonus earnings.

#### **Monthly Return Forms**

New monthly return form books are being printed by the Council, which will provide for leave pay benefits and all other contributions and council levies which are payable to the Council. These new monthly return form books will be available for distribution to the industry's employers by mid October 2008. Employers who require these new monthly return form books, should request their area agent for these books, which will be delivered to them or posted to them before the end of October 2008.

Employers who make use of their own monthly return forms, must ensure that their monthly return forms are amended to provide for leave pay fund contributions as from October 2008.

### 4. **Additional Provident Fund Contributions**

[Payable only when more than sixteen (16) hours wages per week have been paid]

Employer additional provident fund contributions are to be **increased by R7-50 per week** and employee additional provident fund contributions are to be **decreased by R7-50 per week** as from all establishment's **first (1<sup>st</sup>)** pay weeks in **October 2008**.

The following employer and employee additional provident fund contributions are payable to the Council for all employees who are **not** Furnmed Sick Benefit Society members or NUFWSA Sick Benefit Society members as from **October 2008**:

| <b>Employer Additional Provident Fund Contributions</b> | <b>Employee Additional Provident Fund Contributions</b> | <b>Total Additional Provident Fund Contributions</b> |
|---|---|--|
| R60-50 per week   | R27-50 per week   | R88-00 per week                                      |

## 5. Furnmed Sick Benefit Society Contributions

Employer Furnmed Sick Benefit Society contributions are to be **increased** by **R7-50 per week** and employee Furnmed Sick Benefit Society contributions are to be **decreased** by **R7-50 per week** as from all establishment's **first (1<sup>st</sup>)** pay weeks in **October 2008**.

The following employer and employee Furnmed Sick Benefit Society contributions are payable to the Council for all Furnmed Sick Benefit Society members and their registered dependents as from **October 2008**:

|                              | <b>Employer Furnmed Sick Benefit Society Contributions</b> | <b>Employee Furnmed Sick Benefit Society Contributions</b> | <b>Total Furnmed Sick Benefit Society Contributions</b> |
|------------------------------|--|--|---|
| Member                       | R60-50 per week  | R27-50 per week  | R88-00 per week   |
| Per Adult Dependand          | R 0-00 per week  | R30-00 per week  | R30-00 per week   |
| Per Child Dependand          | R 0-00 per week  | R30-00 per week  | R30-00 per week   |
| Per Extra-ordinary Dependand | R 0-00 per week  | R88-00 per week  | R88-00 per week   |

## 6. NUFAWSA Sick Benefit Society Contributions

[Payable only when more than sixteen (16) hours wages per week have been paid]

Employer NUFAWSA Sick Benefit Society contributions are to be **increased** by **R7-50 per week** and employee NUFAWSA Sick Benefit Society contributions are to be **decreased** by **R7-50 per week** as from either an establishment's **first (1<sup>st</sup>)** pay week in **July 2008** or an establishment's **first (1<sup>st</sup>)** pay week in **October 2008**.

All employers who **are** members of the Furniture, Bedding and Upholstery Manufacturing Association – **FBUMA** and the Curtain Makers and Allied Products Association – **CMAPA**, must have as from their establishment's **first (1<sup>st</sup>)** pay week in **July 2008** effected the following changes to the contributions payable to the NUFAWSA Sick Benefit Society, for all NUFAWSA members employed by them:

All employers who **are not** members of the Furniture, Bedding and Upholstery Manufacturing Association – **FBUMA** and the Curtain Makers and Allied Products Association – **CMAPA**, must as from their establishment's **first (1<sup>st</sup>)** pay week in **October 2008** effect the following changes to the contributions payable to the NUFAWSA Sick Benefit Society, for all NUFAWSA members employed by them:

|  | <b>Employer NUFAWSA Sick Benefit Society Contributions</b> | <b>Employee NUFAWSA Sick Benefit Society Contributions</b> | <b>Total NUFAWSA Sick Benefit Society Contributions</b> |
|--|--|--|---|
| Member + 1 to 3 Dependants                   | R60-50 per week  | R54-50 per week  | R115-00 per week  |
| 4 <sup>th</sup> & 5 <sup>th</sup> Dependants | R 0-00 per week  | R12-50 per week  | R12-50 per week   |
| 6 and more Dependants                        | R 0-00 per week  | R92-00 per week  | R92-00 per week   |
| Per Extra-ordinary Dependand                 | R 0-00 per week  | R92-00 per week  | R92-00 per week   |

**NB:** The Council is not the administrator of the NUFAWSA Sick Benefit Society and all contributions which are payable for NUFAWSA Sick Benefit Society members must be forwarded to **Prosperity Health**.

Prosperity Health's contact details and postal addresses are as follows:

Telephone Number : (011) 375 3000  
 Fax Number : (011) 375 3299  
 Email Address : info@z.a.prosperityhealth.co.za  
 Postal Address : Private Bag X 2, Weltevredenpark, 1715

7. **Council Levies**

[Payable only when more than (16) sixteen hours wages per week have been paid]

As from all establishment's **first (1<sup>st</sup>)** pay weeks in **October 2008**, the following employer and employee Council levies are payable to the Council.

| <b>Employer Council Levy</b> | <b>Employee Council Levy</b> | <b>Total Council Levy</b> |
|------------------------------|------------------------------|---------------------------|
| R5-30 per week               | R5-30 per week               | R10-60 per week           |

8. **Occupation Title – Unskilled Employee**

The occupation title of an **Unskilled Employee** is to be changed as from **22 September 2008** to that of a **General Worker**.

9. **Shop Stewards Leave – Loss of Earnings - Council Meetings**

Employers may now claim from the Council for the loss of earnings of shop stewards who are required to attend official Council Meetings during normal working hours.

10. **Annual Closure Dates – 2008/2009**

The Parties will determine the matter of annual closure dates for 2008/2009 by no later than the end of **October 2008** and employers and employees in the Industry will be notified of these closure dates once they have been determined.

**NB:** All other provisions of the Industry's current Collective Agreement remain applicable, together with these amendments.

Kindly ensure that all provisions of this Circular are complied with. Do not hesitate to contact the Agents of this Council should you require any additional information. Please do not contact any junior staff members of the Council.

**A COPY OF THIS CIRCULAR MUST BE DISPLAYED ON YOUR ESTABLISHMENT'S NOTICE BOARD**

19 July 2008