



FURNITURE, BEDDING & UPHOLSTERY INDUSTRY BARGAINING COUNCIL, GREATER NORTHERN REGION

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CIRCULAR 12/04

TO ALL EMPLOYERS IN THE INDUSTRY

Sir/Madam

Contributions Allocation System

The Council's new contributions allocation system was introduced to the Industry via Council Circular 02/04 during February 2004. The new Contributions Allocation System deprives any employer of any possibility to request an allocation of contributions to any specific Fund/s of his/her choice.

In terms of the Council's new Contributions Allocation System, there exists only one (1) fixed contributions allocation sequence in which all contributions are allocated to Council Administered Funds in the following manner:

- Firstly - to Interest on unpaid contributions
- Secondly - to Council levies
- Thirdly - to Furnmed Sick Benefit Society contributions
- Fourthly - to Death & Disability Scheme contributions
- Fifthly - to Holiday Bonus Fund contributions
- Lastly - to Provident Fund contributions

The principle of the new Contributions Allocation System is that if any contributions, employer and/or employee, are short paid for any one month that all future contribution payments shall be allocated, in terms of the new Contributions Allocation System, to cover those contribution payment shortfalls. Note that no allocation of contribution payments received will be made for any specific month unless all previous months' contributions have been paid up in full. It is reiterated that this system does not allow for any specific allocation of contributions to a particular fund for a particular period, what so ever.

Employer and Employee Contribution Statements

Two (2) types of contribution statements will in future be issued separately to employers and employees at certain intervals. These contribution statements will reflect, up to a certain date, the value of the payment of contributions received and the allocation thereof.

Holiday Bonus Fund Year October 2003 to September 2004

Employers are hereby informed that all monthly returns and contributions for the Holiday Bonus Fund year, **October 2003 to September 2004**, must reach the Council's Offices by not later than **Friday, 15 October 2004**. Holiday Bonus Fund contributions for the period October 2003 to September 2004, received after 15 October 2004 will only be processed and paid to employees in 2005.

Interest on the Late Payment of Contributions

In terms of Clause 8 (18) of Chapter 1 of the Industry's Collective Agreement, interest will be charged to employers on any late payment of contributions at a rate of two percent (2%) per month or part thereof from the 11th day of the month until fully paid. All employer and employee contributions are payable to the Council by employers, by not later than the 10th day of the month, following the month to which these contributions relate. Interest on the late payment of contributions will be strictly enforced, without any exceptions.

Any queries in respect of this Circular must be addressed to the Inspectorate Department of the Council