



FURNITURE BARGAINING COUNCIL

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CIRCULAR 05/10

TO ALL FBUMA MEMBERS, CMAPA MEMBERS AND NUFAWSA MEMBERS
(All FBUMA members, CMAPA members and NUFAWSA members in the Free State Province only)

AMENDMENTS TO THE INDUSTRY'S COLLECTIVE AGREEMENT – FBUMA MEMBERS, CMAPA MEMBERS and NUFAWSA MEMBERS

Please be advised that at the Industry's Annual Wage Negotiations this year, it was agreed by **three** of the **four** Parties to the Council, namely the Furniture, Bedding & Upholstery Manufacturers Association (**FBUMA**), the Curtain Makers and Allied Products Association (**CMAPA**) and the National Union of Furniture and Allied Workers of South Africa (**NUFAWSA**) that the Industry's Collective Agreement in respect of **their members only** be amended as from **1 July 2010** for a period of 2 years, as follows:-

1a. **Minimum Weekly Wage Increases and Minimum Weekly Wage Rates – Furniture, Bedding & Upholstery Manufacturing Sector – 1 July 2010**

NB: Notwithstanding that a **NUFAWSA member** working in the Furniture, Bedding & Upholstery Sectors may be receiving a weekly wage, which is in excess of the prescribed minimum weekly wage rate for the work performed by him/her, such a **NUFAWSA member** nevertheless qualifies for **at least** a minimum weekly wage increase effective from **1 July 2010**, as listed hereunder:-

Occupation Skills Level	Occupation Skills Level Code	Minimum Weekly Wage Increases Applicable to NUFAWSA members only as from 1 July 2010	Minimum Weekly Wage Rates Applicable to NUFAWSA members only as from 1 July 2010
General Worker	05	7.0% of actual weekly wages	R428-00
Semi-skilled Employee	04	7.0% of actual weekly wages	R494-26
Skilled Employee	03	7.0% of actual weekly wages	R649-77
Chargehand	02	7.0% of actual weekly wages	R697-06
Foreman/Supervisor	01	7.0% of actual weekly wages	R697-06

Increase of Actual Weekly Wages

Increase of actual weekly wages shall be calculated as follows:

Employee's current hourly rate of pay plus 7.0%

1b. **2010 Allowance Effective From 1 January 2011**

A minimum weekly wage allowance effective from 1 January 2011 over and above the minimum weekly wage increases as reflected in 1a above, must be paid to all NUFAWSA members who were employed prior to 1 July 2010 and must be calculated at a minimum of one (1) percent of the employee's basic weekly wages immediately prior to 1 July 2010. This minimum weekly wage allowance shall not be subject to any calculations for levies or contributions, which are normally payable to the Council.

2a. **Minimum Weekly Wage Increases and Minimum Weekly Wage Rates – Curtain Manufacturing Sector – 1 July 2010**

NB: Notwithstanding that a **NUFAWSA member** working in the Curtain Manufacturing Sector may be receiving a weekly wage, which is in excess of the prescribed minimum weekly wage rate for the work performed by him/her, such a **NUFAWSA member** nevertheless qualifies for **at least** a minimum weekly wage increase effective from **1 July 2010**, as listed hereunder:-

Occupation Skills Level	Occupation Skills Level Code	Minimum Weekly Wage Increases Applicable to NUFSA members only as from 1 July 2010	Minimum Weekly Wage Rates Applicable for NUFSA members only as from 1 July 2010
General Worker	05	7.0% of actual weekly wages	R404-11
Semi-skilled Employee	04	7.0% of actual weekly wages	R470-72
Skilled Employee	03	7.0% of actual weekly wages	R618-83
Chargehand	02	7.0% of actual weekly wages	R663-87
Foreman/Supervisor	01	7.0% of actual weekly wages	R663-87

Increase of Actual Weekly Wages

Increase of actual weekly wages shall be calculated as follows:

Employee's current hourly rate of pay plus 7.0%

2b. **2010 Allowance Effective From 1 January 2011**

A minimum weekly wage allowance effective from 1 January 2011 over and above the minimum weekly wage increases as reflected in 2a above, must be calculated at a minimum of one (1) percent of the employee's basic weekly wages immediately prior to 1 July 2010. This minimum weekly wage allowance shall not be subject to any calculations for levies or contributions, which are normally payable to the Council.

3. **Newly Employed, Employee Concession**

The following newly employed, employee concession **may** be applied by an employer in order to determine the wages, levies and contributions payable for **any newly employed NUFSA member who commences employment with an employer for the first time after 1 July 2010**, provided that the employer concerned has **not** been afforded a **newly established, small employer concession by the Council**.

YEAR ONE of employment:

- 100% of the prescribed minimum weekly wage rates for General Workers;
- 85% of the prescribed minimum weekly wage rates for all other Occupation Skills Levels of employees;
- 100% of the prescribed Council Levies;
- 100% of the prescribed Leave Pay Fund contributions;
- 50% of an employee's NUFSA trade union subscriptions shall be payable by the employer to NUFSA, provided that the employee concerned is a NUFSA member.

YEAR TWO of employment:

- 100% of the prescribed minimum weekly wage rates for General Workers;
- 90% of the prescribed minimum weekly wage rates for all other Occupation Skills Levies of employees;
- 100% of the prescribed Council Levies;
- 100% of the prescribed Leave Pay Fund contributions;
- 100% of the prescribed NUFSA Sick Benefit Society contributions;
- 50% of an employee's NUFSA trade union subscriptions shall be payable by the employer to NUFSA, provided that the employee concerned is a NUFSA member.

YEAR THREE of employment

- (a) **100%** of the prescribed minimum weekly wage rates for all the Occupation Skills Levels of employees;
- (b) **100%** of the prescribed Council Levies;
- (c) **100%** of all prescribed Leave Pay Fund contributions;
- (d) **100%** of the prescribed NUFAWSA Sick Benefit Society contributions;
- (e) **50%** of an employee's NUFAWSA trade union subscriptions shall be payable by the employer to NUFAWSA, provided that the employee concerned is a NUFAWSA member.

YEAR FOUR of employment

After completion of Year Three of employment, Council levies and all contributions as prescribed in the industry's collective agreement, shall become applicable and payable to the Council by the concerned employer and the concerned NUFAWSA member.

4. Lunch Intervals

The amendment to the Collective Agreement (Clause 8.2.2 of chapter 1) in respect of **lunch intervals** as bolded hereunder becomes effective as from **1 July 2010**:

An employer shall grant to each of his employees a lunch interval **of between 30 minutes and 60 minutes** after a continuous period of work of not more than 5 hours, which shall not be regarded as part of ordinary hours of work.

5. Short Time

The amendment to the Collective Agreement (Clause 8.10.2 of chapter 1) in respect of **short time** as bolded hereunder becomes effective as from **1 July 2010**:

An employee who on any day reports for duty at the usual starting time of the establishment and for whom no work is available, **or for whom work becomes unavailable during the course of the day**, shall be paid in respect of such day an amount of not less than 4 hours' wages, unless he was notified by his employer previously that his services would not be required on the day in question.

6. Family Responsibility Leave

The amendment to the Collective Agreement (Clause 8.13.1 of chapter 1) in respect of **family responsibility leave** as bolded hereunder becomes effective as from **1 July 2010**:

An employee who has been employed with an employer for longer than 4 months shall be entitled to 3 days paid leave per annum at full pay, on submission of the necessary proof, when the employee's child is born or when the employee's child is sick. Upon the death of the employee's spouse, life partner, parent, adoptive parent, grandparent, child, adopted child, grandchild or sibling, the employee shall be entitled to a further **2 days** paid leave per annum at full pay, on submission of the necessary proof.

7. Levies and Contribution Payments

In order to determine when levies and contributions become payable to the Council for NUFAWSA members, the following time for which a NUFAWSA member is entitled to be paid wages must be taken into consideration:

a) Leave Pay Fund Contributions

The amount payable by the employer of NUFAWSA members for leave pay fund contributions shall be calculated on the **ordinary hours worked** by the NUFAWSA member and on the hours which would ordinarily have been worked by the NUFAWSA member on **paid public holidays** and **trade union representative leave days**.

N.B. No leave pay fund contributions are payable for NUFAWSA members on wages which are payable for overtime wages, hours worked on a Sunday, allowances, sick leave days, study leave days and family responsibility leave days.

b) **Holiday Bonus Fund Contributions**

The amount payable by the employer for holiday bonus fund contributions for a NUFAWSA member shall be calculated on the **ordinary hours worked** by a NUFAWSA member and on the hours which would ordinarily have been worked by a NUFAWSA member on **paid public holidays** and **trade union representative leave days**.

N.B. No holiday bonus fund contributions are payable for NUFAWSA members on wages which are payable for overtime wages, hours worked on a Sunday, allowances, sick leave days, study leave days and family responsibility leave days.

c) **Provident Fund Contributions**

Provident fund contributions shall be payable only when **more than 16 hours wages per week** are payable to a NUFAWSA member for **ordinary hours worked** and on hours which would ordinarily have been worked on **paid public holidays** and **trade union representative leave days**.

d) **NUFAWSA Sick Benefit Society Contributions and Membership Criteria**

NUFAWSA Sick Benefit Society contributions shall be payable only when **more than 16 hours wages per week** are payable to a NUFAWSA member for **ordinary hours worked** and on hours which would ordinarily have been worked on **paid public holidays** and **trade union representative leave days**.

- If an employer is a FBUMA or CMAPA member and its employees are members of NUFAWSA, such employees must become members of the NUFAWSA Sick Benefit Society and the employer and employee must pay the prescribed contributions which are payable to the NUFAWSA Sick Benefit Society.
- If an employer is a FBUMA or CMAPA member and its employees do not belong to any trade union, its employees may join the NUFAWSA Sick Benefit Society, which will be subject to the approval of the society failing which the employer and employee must pay prescribed additional Provident Fund contributions.
- If an employer is a FBUMA or CMAPA member and its employees are members of trade unions other than NUFAWSA, such employees may not become members of the NUFAWSA Sick Benefit Society.

e) **Council Levies**

Council levies shall be payable only when **more than 16 hours wages per week** are payable to a NUFAWSA member for ordinary hours worked and on hours which would ordinarily have been worked on paid public holidays and trade union representative leave days.

The following Council levies are payable to the Council for NUFAWSA members, as from **1 July 2010**.

Employer Council Levy	Employee Council Levy	Total Council Levies
R6-20 per week	R6-20 per week	R12-40 per week

f) **Minimum Weekly Wage Increases – July 2011**

Minimum weekly wage increases effective from 1 July 2011 shall be 7% of actual weekly wages for the period ending 30 June 2012, provided that the official CPI (Consumer Price Index) rate for the year ending May 2011 is not below 3% or above 6%. If the official CPI (Consumer Price Index) rate ending May 2011 is below 3% or above 6% the parties to the agreement shall meet to negotiate wage increases for the period 1 July 2011 to 30 June 2012.

9) **Annual Closure Dates – December 2010 and January 2011**

Once the Parties to the Council have determined the matter of the industry's annual closure period for December 2010 and January 2011, employers and employees in the industry will be notified accordingly.

NB: All other unamended provisions of the Industry's current Collective Agreement remain applicable to all FBUMA members, CMAPA members and NUFAWSA members, together with these amendments.

Kindly ensure that all provisions of this Circular are complied with. Do not hesitate to contact the Council's Agents 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

14 June 2010