



FURNITURE BARGAINING COUNCIL

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CIRCULAR 08/10

TO ALL NON PARTY EMPLOYERS AND NON PARTY EMPLOYEES (Excluding Non Party Employers and Non Party 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.965 in Regulation Gazette No. 9342 of Government Gazette No. 33678 of 29 October 2010, which becomes effective to **all non party employers and non party employees** in the industry as from **Monday, 8 November 2010**.

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** a minimum weekly wage increase effective from **Monday, 8 November 2010**, as listed hereunder:-

Occupation Skills Level	Occupation Skills Level Code	Minimum Weekly Wage Increases Applicable as from 8 November 2010	Minimum Weekly Wage Rates Applicable as from 8 November 2010
General Worker	05	7.0% of actual weekly wages	R428-00
Semi-skilled Employee	04	7.0% of actual weekly wages	R633-55
Skilled Employee	03	7.0% of actual weekly wages	R680-72
Chargehand	02	7.0% of actual weekly wages	R734-32
Foreman/Supervisor	01	7.0% of actual weekly wages	R734-32

Increase of Actual Weekly Wages

Increase of employee's actual weekly wages is to be calculated as follows:

Employee's current hourly rates 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 employees who were employed prior to **8 November 2010** and must be calculated at a minimum of **one (1) percent** of the employee's basic weekly wages immediately prior to **8 November 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**

NB: Notwithstanding that an employee 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 an employee, nevertheless qualifies for **at least** a minimum weekly wage increase effective from **Monday, 8 November 2010**, as listed hereunder:-

Occupation Skills Level	Occupation Skills Level Code	Minimum Weekly Wage Increases Applicable to Employees only as from 8 November 2010	Minimum Weekly Wage Rates Applicable for Employees only as from 8 November 2010
General Worker	05	7.0% of actual weekly wages	R390-55
Semi-skilled Employee	04	7.0% of actual weekly wages	R516-79
Skilled Employee	03	7.0% of actual weekly wages	R587-30
Chargehand	02	7.0% of actual weekly wages	R645-25
Foreman/Supervisor	01	7.0% of actual weekly wages	R645-25

Increase of Actual Weekly Wages

Increase of employee's actual weekly wages is to be calculated as follows:

Employee's current hourly rates 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 paid to employees and must be calculated at a minimum of **one (1) percent** of the employee's basic weekly wages immediately prior to **8 November 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 employee who commences employment with an employer for the first time after 8 November 2010**, provided that the employer concerned has **not** been afforded a **newly established, small employer concession by the Council**.

YEAR ONE of employment:

- (a) **100%** of the prescribed minimum weekly wage rates for General Workers;
- (b) **85%** of the prescribed minimum weekly wage rates for all other Occupation Skills Levels of employees;
- (c) **100%** of the prescribed Council Levies;
- (d) **100%** of the prescribed Leave Pay Fund contributions.

YEAR TWO of employment:

- (a) **100%** of the prescribed minimum weekly wage rates for General Workers;
- (b) **90%** of the prescribed minimum weekly wage rates for all other Occupation Skills Levies of employees;
- (c) **100%** of the prescribed Council Levies;
- (d) **100%** of the prescribed Leave Pay Fund contributions;
- (e) **100%** of the prescribed Sick Benefit Society contributions or 100% of the prescribed additional provident fund contributions.

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 Sick Benefit Society contributions or 100% of the prescribed additional provident fund contributions.

YEAR FOUR of employment

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

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 **8 November 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 **8 November 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 **8 November 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.

An employee's unused entitlement to leave in terms of this clause lapses annually and may not be accrued.

7. Levies and Contribution Payments

In order to determine when levies and contributions become payable to the Council for employees, the following time for which an employee is entitled to be paid wages must be taken into consideration:

a) Leave Pay Fund Contributions

The amount payable by the employer shall be calculated at **5%** of the **ordinary hours worked** by the employee and on the hours which would ordinarily have been worked by the employee on **paid public holidays** and **trade union representative leave days**.

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

b) Holiday Bonus Fund Contributions

The amount payable by the employer shall be calculated at **0%, 5% or 10%** of weekly wages dependent on the **ordinary hours worked** by the employee and on the hours which would ordinarily have been worked by the employee on **paid public holidays** and **trade union representative leave days**.

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

c) **Provident Fund Contributions**

Provident fund contributions shall be payable by the employer (6% of normal weekly wages) and the employee (6% of normal weekly wages) only when **more than 16 hours wages per week** are payable to an employee for **ordinary hours worked** by the employee and on the hours which would ordinarily have been worked by the employee on **paid public holidays** and **trade union representative leave days**.

d) **Additional Provident Fund Contributions**

Additional provident fund contributions shall be payable by the employer and the employee only **when more than 16 hours' wages per week** are payable to an employee for **ordinary hours worked** by the employee and on the hours which would ordinarily have been worked by the employee on **paid public holidays** and **trade union representative leave days**.

The following additional provident fund contributions are payable to the Council for employees, as from **8 November 2010**.

Employer Contribution	Employee Contribution	Total Contribution
R60-50 per week	R42-50 per week	R103-00 per week

e) **Council Levies**

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

The following Council levies are payable to the Council for employees, as from **8 November 2010**.

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

8. **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 for the year 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.

NB: All other unamended 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 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