



FURNITURE BARGAINING COUNCIL

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CIRCULAR 13/20

TO ALL EMPLOYERS AND EMPLOYEES (in the Free State Province only)

Please be advised that at the Industry's Wage Negotiations in 2020, it was unanimously agreed by all the Parties to the Council that the Industry's **Main Collective Agreement** be amended, with due consideration given to the proposed implementation of **national minimum wage rates**. The amendments to the Industry's Main Collective Agreement have been published under Government Notice No. 333 in Government Gazette No 43447 of 19 June 2020 which become effective for all establishments/employers from 29 June 2020.

Key Amendments

- Across the board increases of actual hourly rates of pay
- Minimum hourly rates of pay
- Additional Provident Fund
- Furnmed and Nufawsa Sick Benefit Societies
- Provident Fund contributions
- Shortened NEEC period
- Accumulation of NEEC credits
- Short time
- Council levies
- Period of operation of the agreement

1. Across the Board Increases of Actual Hourly Rates of Pay effective from 29 June 2020

NB: Notwithstanding that an employee may be receiving an hourly rate of pay, which is in excess of the prescribed minimum hourly rate of pay for the work performed by him or her, such an employee nevertheless still qualifies for an across the board increase of his or her actual hourly rate of pay, effective from 29 June 2020.

| Occupation Skills Level | Occupation Skills Level Code | Across the Board Increases of Actual Hourly Rates of Pay effective from 29 June 2020 |
|-------------------------|------------------------------|---|
| General Worker | 05 | 6.5% Increase of actual hourly rate of pay, subject to the offset in item 1.2 below. |
| Semi-skilled Employee | 04 | 6.5% increase of actual hourly rate of pay |
| Skilled Employee | 03 | 6.5% increase of actual hourly rate of pay |
| Chargehand | 02 | 6.5% increase of actual hourly rate of pay |
| Foreman/Supervisor | 01 | 6.5% increase of actual hourly rate of pay |

- 1.1 Across the board increases of actual hourly rates of pay must be calculated by adding the applicable percentage increase as indicated above to employees' current hourly rates of pay for all employees.
- 1.2 **General Workers:** The across the board increase to be offset against the national minimum wage increases already implemented on 1 March 2020, for such general workers.

2. MINIMUM HOURLY RATES OF PAY (In the Free State Province only)

2.1 General Worker

NB: Notwithstanding that employees working in the Industry may be receiving weekly wages, which are in excess of the minimum weekly wage rates for the work performed by them, such employees nevertheless qualify for **at least** minimum weekly wage increases effective from 29 June 2020, as listed hereunder:

| Occupational skills level | Effective from 1 March 2020 |
|---------------------------|---|
| General Worker | R20-76 per hour As per national minimum wage effective from 1 March 2020 |

2.2 Other Occupational Skills Levels

| Occupational skills level | Occupation Skills Level Code | Effective from 29 June 2020 |
|---------------------------|------------------------------|-----------------------------|
| Semi-skilled employee | 04 | R21-32 per hour |
| Skilled employee | 03 | R23-85 per hour |
| Chargehand, | 02 | R25-58 per hour |
| Foreman & Supervisor | 01 | R25-58 per hour |

3. ADDITIONAL PROVIDENT FUND

Abolish the existing Additional Provident Fund and all the contributions to the existing Additional Provident Fund from 29 June 2020.

4. FURNMED AND NUFAWSA SICK BENEFIT SOCIETIES

4.1 New Members

New Sick Fund members will come in on a voluntary basis from 29 June 2020. Such members shall pay the total contribution per week as an employee contribution only.

4.2 Existing Members

4.2.1 Employer Sick Benefit Society contributions for existing members of the Sick Benefit Societies will as from 29 June 2020 be paid as an allowance of R30-50 per week per employee payable by the employer.

4.2.2 The current status quo for existing contributions by the employee to the Sick Benefit Society contributions will remain unchanged unless it is decided differently at the respective Sick Benefit Societies.

5. PROVIDENT FUND CONTRIBUTIONS

5.1 Provident Fund Contributions – All Occupational Skills Levels

Provident Fund contributions of **6%** of normal weekly wages from the employee per week, calculated on the establishment's normal ordinary hours of work per week, plus an equal amount from the employer, is payable to the Council from 29 June 2020.

5.2 Provident Fund contributions – Newly Employed Employee Concession (NEEC)

Provident fund contributions for employees employed under the NEEC payable to the Council from 29 June 2020, shall amount to the following:

5.2.1 Year One of employment

3% of normal weekly wages from the employee per week, calculated on the establishment's normal ordinary hours of work per week, plus an equal amount from the employer.

5.2.2 Year Two of employment

3% of normal weekly wages from the employee per week, calculated on the establishment's normal ordinary hours of work per week, plus an equal amount from the employer.

5.2.3 Year Three of employment

3% of normal weekly wages from the employee per week, calculated on the establishment's normal ordinary hours of work per week, plus an equal amount from the employer.

5.2.4 Year Four of employment

6% of normal weekly wages from the employee per week, calculated on the establishment's normal ordinary hours of work per week, plus an equal amount from the employer.

6. SHORTENED NEEC PERIOD

6.1 The entire NEEC to be shortened to 4 years by replacing the current year 4 with the current year 5 and then including the above Provident Fund contributions into the new 4-year structure.

6.2 As from 29 June 2020 all changes relating to the NEEC contributions and year changes, will be applicable to the corresponding year of the new NEEC's provisions.

7. DEATH AND DISABILITY CONTRIBUTIONS (DDS) – NEWLY EMPLOYED EMPLOYEE CONCESSION (NEEC)

DDS contributions for employees employed under the NEEC payable to the Council from 29 June 2020, shall amount to the following:

7.1 Year One to Year Three of employment

R10-46 per week per employee, payable by the employer ONLY.

7.2 Year Four of employment

R13-25 per week payable by the employee and R13-25 per week per employee payable by the employer

8. ACCUMULATION OF NEEC CREDITS

Upon service termination of the employee, irrespective of the reason, the employer shall grant credit to the employee for time employed under the NEEC when re-employed by any employer.

9. SHORT TIME

9.1 Short Time Conditions

Short Time may only be implemented in terms of the Collective Agreement if the employer:

- 9.1.1 has consulted with the employees concerned; and/or
- 9.1.2 has consulted with any shop stewards or employee representatives in the workplace concerned; and
- 9.1.3 has extended an invitation to the trade union office and trade union official to attend on the date and time determined by the employer, to allow the trade union official to attend the consultation, if a trade union is active in the workplace concerned, unless short time is implemented on a specific day for that day only.

9.2 Payment of wages for Paid Public Holidays during Short Time

In the event that an official Paid Public Holiday falls during a period in which the employer is already working short time, employees shall be paid their normal ordinary hours of work for that day, irrespective of the short time so implemented.

9.3 Limitation/preventing the abuse of Short Time during Paid Public Holidays

No short time may be called for and implemented, for Mondays and Fridays, where official Paid Public Holidays fall on Tuesdays and/or Thursdays, unless the employer has been working short time prior to such Paid Public Holidays.

10. COUNCIL LEVIES

To be increased to R12-46 p/w payable by the employer and R12-46 p/w payable by the employee as from 29 June 2020.

11. PERIOD OF OPERATION OF THE AGREEMENT

This Agreement shall be binding on parties and non-parties from 29 June 2020 until 30 April 2023.

NB: The remaining provisions of the Industry's Main Collective Agreement remain applicable.

Kindly ensure that all provisions of this Circular are complied with. Please contact the Council's Inspectorate Department should you require any additional information or clarity regarding this Circular.

Please do not contact any junior staff members of the Council for any additional information or clarity regarding this Circular.

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