

# NATIONAL BARGAINING COUNCIL

FOR THE

## CLOTHING MANUFACTURING INDUSTRY

**Cape Chamber**

(Western Cape Sub-Chamber)

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### CIRCULAR NO. BC/02/04

Telephone Enquiries : Labour Affairs Department

30 July 2004

**TO : ALL EMPLOYERS SUBJECT TO THE COUNTRY AREAS AGREEMENT WITHIN THE WESTERN CAPE SUB-CHAMBER OF THE NATIONAL BARGAINING COUNCIL FOR THE CLOTHING MANUFACTURING INDUSTRY**

Dear Sir/Madam

**INFORMATION CIRCULAR TO THE INDUSTRY FOLLOWING THE 2004 ROUND OF NEGOTIATIONS**

#### **MAGISTERIAL DISTRICTS OF GEORGE & WORCESTER ONLY**

Resulting from the Industry negotiations referred to in National Bargaining Council Circular No BC/02/2004 dated 15 March 04, the Parties to the National Bargaining Council concluded a Collective Agreement on 21 July 04 in terms of which the total labour cost increase in respect of the Western Cape Country Areas amounts to 5% on **current actual rates OR** R15,00 per week effective 1 July 2004 **plus** R5,00 per week effective 1 January 2005, whichever is the greater. This will be submitted to the Minister of Labour with a request that it be extended to Non-Parties. Details of the negotiated settlement in respect of the Western Cape Country Areas collective agreement are as follows:-

#### **1. New Wage Rates and Across-the-Board Increases for the period 1 July 2004 to 30 June 2005**

The new "gazetted" wage rates from 1 July 2004 to 30 June 2005, which reflect the adjustment referred to above on all grades, **rounded** to the nearest 50 cents, are recorded on the accompanying schedule under the column "Wage per week from 1 Jul 04".

Monthly paid employees, who fall within the Council's earnings "ceiling" limit, and who have been exempted from contributing to the Industry's Provident Fund, must receive the full quantum of the negotiated settlement. This means that employees who earn within the Council's **current** Country Areas "ceiling" limit of R661,50 per week or R2 866,50 per month, and who have been exempted out of the Council's Provident Fund for specific reasons should receive the negotiated settlement on wages with effect from 1 July 2004.

#### **2. New Ceiling Wage Rate**

The scope of this Regional Council's Country Areas Agreement will be adjusted to raise the ceiling wage rate as follows :

				2/.....
	Period : 1 July 2004 to 31 December 2004			
	ANNUAL	MONTHLY	WEEKLY	

	R35 906,00	R2 992.17	R690,50	
	Period : 1 January 2005 to 30 June 2005			
	ANNUAL	MONTHLY	WEEKLY	
	R36 400,00	R3 033,33	R700,00	

### **3. Contributions to this Regional Chamber's Provident- & Health Care Funds**

#### **3.1 Health Care Fund**

The Employer's contribution rate to the Health Care Fund increases by 50 cents on both the lower and higher rates from R4,40/R5,40 to **R4,90/R5,90** per week as reflected in the accompanying schedule.

Employees' contributions to the Health Care Fund remain unaltered.

#### **3.2 Provident Fund**

##### **Employer Contribution Rate:**

The Employer's contribution rate remains unaltered at 6,25%.

##### **Employee Contribution Rate:**

**Employees'** contribution rate to the Provident Fund also remains unaltered at 6,03%.

Please note that in terms of clause 1(3) of the Provident Fund Agreement, the provisions of that Agreement apply in respect of employees who are currently contributors to the Fund, i.e. the contributions of current contributors earning in excess of the rates reflected in paragraph 2 above, must continue.

### **4. Consequential Changes for the period 1 July 2004 to 30 June 2005**

Wage and salary departments are reminded of the following consequential changes flowing from higher wage rates as well as other changes :

- o The **maximum** deduction for Provident Fund from the earnings of **contributors** will be R58,91 per week or R255,29 per month. The **maximum** Provident Fund contribution rate payable by **employers** will be R61,06 per week or R264,60 per month.
- o The Trade Union subscription rate for its members remains at 1% of the member's basic wage rate with a **minimum** of R4,20 per week and a **maximum** of R7,35 per week.
- o The cut-off point for the lower and higher **Health Care Fund contributions** increases from R495,00 to R519,50.

### **5. Schedule of Deductions**

Two schedules of weekly deductions and contributions accompany this circular. One for the period 1/7/04 – 31/12/04 (printed on **green** paper) and another for the period 1/1/05 – 30/6/05 (printed on **pink** paper).

### **6. Compliance**

For information purposes, the Parties to the Council have agreed to adopt a set of measures within ninety days, intended to promote compliance with the minimum rates of pay and other conditions of employment applicable in the Industry. In the event of the Parties to the Council being unable to reach consensus on the measures to be adopted or within the period stipulated, the measures shall be determined by an arbitrator.

### **7. Non-Metro Areas**

For your information the recently concluded Industry negotiations provide for a total labour cost increase for non-metro areas ranging from between 5,62% and 7,51%.

### **8. NBC Website ([www.nbc.org.za](http://www.nbc.org.za))**

The Council's website on the Internet is currently being developed. However, those who have access to the Internet can already view and download the Main & Provident Fund Collective Agreements of the various "metro" areas as well as the Country Areas Agreement. These are in the form of consolidated agreements i.e. the original published agreements, updated for subsequent published amendments. This notice will also be added to the Council's website.

Any enquiries from employers who are members of the **Cape Clothing Association** (CCA) should be directed to their Association. In the case of non-party establishments, enquiries should be directed to this Chamber's Labour Affairs Department on tel no (021) 460-4000.

Yours faithfully

**P R CROSOER**

**REGIONAL SECRETARY**

war/wp/Circulars 2003/Annual Increase Circular BC/02/2004-Wcape CAA