

# NATIONAL BARGAINING COUNCIL

## FOR THE

# CLOTHING MANUFACTURING INDUSTRY

### Northern Chamber

Tel: 011 402 2737	1 <sup>ST</sup> FLOOR, GARMENT CENTRE, 148 KERK STREET, JOHANNESBURG 2001	P O Box 5101
Fax: 011 402 7375		Johannesburg
www.nbc.org.za		2000

#### CIRCULAR NO. ----/2004

Telephone Enquiries : Labour Affairs Department

30 July 2004

**TO : ALL EMPLOYERS SUBJECT TO THE MAIN COLLECTIVE AGREEMENT FOR THE NORTHERN REGION (KNITTING) WITHIN THE NORTHERN 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**

**METRO AREAS ONLY**

**(i.e. those Garment Knitting establishments situated within the Municipal Area of Pretoria and the Magisterial Districts of Alberton, Benoni, Germiston, Johannesburg and Roodepoort)**

Resulting from the recent 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 Collective Agreement on 21 July 04 in terms of which the total labour cost increase for all "Metro" regions amounts to 5% with effect from 1 July 2004. This will now be submitted to the Minister of Labour with a request for it to be extended to Non-Parties. Details of the negotiated settlement in respect of the above-mentioned 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 an across-the-board increase of 5% on all grades, **rounded** to the nearest 10 cents, are recorded on the accompanying schedule under the column "New Wage Rate per week from 1 Jul 04".

Please note the following:

- i. Employees who earn in excess of the prescribed wage should receive the increase equivalent to the increase of an employee in the same category. (See attached schedule).
- ii. Learners in employment for 16 weeks or more in any half-year are deemed to be in employment for the full half-year except in the case of the first half-year where more than 13 weeks' experience is deemed to be employment for the full half-year.

**2. Contributions to this Regional Chamber's Provident-, Sick Pay- & Medical Benefit Funds**

**2.1 Sick Pay Fund**

Employees' contribution rate to the Sick Pay Fund remains unaltered at R1,50 per week. The Employer's contributions to the Sick Pay Fund increases by 10 cents from R1,70 to **R1,80** per week which increase has been costed as part of the 5% negotiated settlement.

**2.2 Medical Benefit Society**

The Employees' contribution rate remains unaltered at R5,80, whilst the Employer's contribution to the Medical Benefit Society increases by 30 cents (5%) from R6,20 to **R6,50** per week. This increase has also been costed as part of the 5% negotiated settlement.

**2.3 Provident Fund**

**Employer Contribution Rate:**

The Employer's contribution rate remains unaltered at 6,5%.

**Employee Contribution Rate:**

**Employees'** contribution rate to the Provident Fund also remains unaltered at 5,75%.

**3. Trade Union Deductions**

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.

**4. Schedule of Deductions**

A schedule of weekly deductions and contributions accompanies this circular.

**5. 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.

**6. Non-Metro Areas (all areas in the Provinces of Gauteng, Limpopo, Mpumalanga and North West other than the six areas/districts listed in the bolded heading of this circular)**

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%.

**7. NBC Website (www.nbc.org.za)**

The Council's website on the Internet is constantly being updated. Those who have access to the Internet can view and download the Main & Provident Fund Collective Agreements of the various "metro" areas and the Council's Non-Metro 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 any of the Employers' Associations 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 (011) 402-2737.

Yours faithfully

**K PEDRICK**

**REGIONAL SECRETARY**

WAR/wp/Annual Increase Circular2004-Northern knitting