

NATIONAL BARGAINING COUNCIL

FOR THE

CLOTHING MANUFACTURING INDUSTRY

Northern Chamber

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Telephone Enquiries : Labour Affairs Department

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TO : ALL EMPLOYERS IN THE MILLINERY SECTOR OF THE INDUSTRY 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 AND OTHER CHANGES REGARDING THE MILLINERY SECTOR OF THE NORTHERN REGION

Province of the Transvaal as it existed prior to the coming into operation of the Constitution of the Republic of South Africa

A. AGREEMENT AMENDMENTS

A.1 Main Agreement

The Council, at its Annual General meeting held in Cape Town on 21 July 04, agreed to incorporate those provisions of the **former** Millinery Industry Main Agreement which were different to those of the Clothing Sector of the Industry, into its Main Collective Agreement for the Northern Region (**Clothing**). Once the adopted amendments have been published in the Government Gazette, it will, effectively, cancel the former Millinery Agreement in its entirety. I enclose, for your convenience, a copy of the Council's **Consolidated** Clothing Main Agreement for the Northern Region which will be up-dated on the Council's website (www.nbc.org.za) once the following adopted amendments have been gazetted:

CLAUSE 3 : DEFINITIONS

1. Insert the following new definitions after the definition of "agency shop":

"'blocker' means an employee engaged in one or more of the following operations in a Millinery establishment:

Blocking, panning, stiffening of raw materials, pressing, spraying and polishing of hats, dyeing and brushing of hats in the course of manufacture;

'blocker's assistant' means an employee who assists the blocker in a Millinery establishment by standing in front of the blocker and keeps the hats in place on the block;"

2. Insert the following new definitions after the definition of "Category H7":

"'chopper out' means an employee engaged in the cutting out of material, other than trimming by hand or machine in a Millinery establishment;"

3. Substitute the definition of "experience" with the following new definition:

"'experience' means the total period or periods of employment of an employee in the Clothing Industry and/or Bespoke Tailoring Industry and/or private dressmaking excluding the Millinery Sector, in any capacity or capacities in respect of which wages are prescribed in clause 4 of this Agreement, and shall be deemed to each contract of service to have been continuous from the time the employee enters this employer's service until the time such services is terminated: Provided that:

- or the purpose of computing an employee's experience in the Clothing Sector, employment for 16 weeks in any half year shall be deemed to have been employment for the whole half-year.
- a trainee in his first half-year of employment in the Clothing Sector, although having less than 16 weeks' but more than 13 weeks' experience on the last day of a half-year shall be deemed to have been in employment for the whole half-year.
- experience in the Knitting Sector shall be regarded as experience in the Clothing Sector but not in the Millinery Sector.

- d. the trial period of an employee in terms of 13(1)(b)(iii) shall be deemed to be experience on if the contract of service is confirmed.
- e. for the purposes of only the Millinery sector of the Industry, the total period or periods of employment of an employee in the Millinery Sector, irrespective of the place of such employment or the class of work performed by such employee, other than that of a labourer or driver of a motor vehicle, and includes the total period or periods of employment in a shop of a Millinery employer mainly or wholly engaged in the alteration and/or repair of ladies' and/or girls' hats, incidental to the sale by retail of such articles; and shall be deemed in each contract of service to have been continuous from the time the employee enters his employer's service until the time that such service is terminated: Provided that for the purposes of computing an unqualified employee's experience, employment of 16 weeks in any half-year shall be deemed to have been in employment for the whole half-year on condition that an unqualified employee in his first half-year of employment, although having less than 16 weeks' experience on the last day of the half-year, but more than 13 weeks, shall be deemed to have been in employment for the whole half-year."

1. Substitute the definition of "ordinary hours of work" with the following new definition:

"ordinary hours of work" means a 40-hour week of five days and 60 hours in any one week in respect of a watchman in the clothing sector and a 41-hour week of five days and 45 hours in any one week in respect of a watchman in the Millinery Sector;"

2. Substitute the first line of the definition of "general worker" to read as follows:

"general worker (Clothing)" means an employee engaged in one or more of the following operations in the Clothing Sector of the Industry:"

3. Insert the following new definition after the definition of "general worker (Clothing)":

"general worker (Millinery)" means an employee engaged in one or more of the following operations in the Millinery Sector of the Industry:

- a. laying up;
- b. moulding of flowers;
- c. cutting off surplus of brims along marked lines;
- d. collecting and sorting hats;
- e. fixing belts;
- f. sheening and/or polishing and mangling hoods;
- g. steaming or dusting hats;
- h. straightening out the remnants;
- i. stirring or grinding chemicals;
- j. grinding shellac;
- k. packing;
- l. delivering or carrying messages, letters or other articles on foot, by means of a bicycle or a similar foot-propelled vehicle;
- m. making tea or other similar beverages;
- n. cleaning premises, utensils, or other articles;
- o. loading or unloading vehicles;
- p. carrying, moving, stacking or sorting goods or waste;
- q. making or maintaining fires;
- r. opening or closing packages."

1. Insert the following new definition after the definition of "medical practitioner":

"milliner" means an employee who has had two or more years' experience in one or more of the following operations in a Millinery establishment:

- a. the design of hats;
- b. the making of complete hats with material, excluding the making up of hats from material by machine;
- c. the setting out and/or chopping out of patterns, excluding the cutting of trimmings;"

1. Substitute the definition of "supervisor" with the following new definition:

"supervisor (Clothing)" means an employee in a Clothing establishment who, under supervision, is responsible for the efficient performance of the duties of the employees or a section of the employees in a workshop, but does not include an assistant supervisor;"

(9) Insert the following new definition after the definition of "supervisor (Clothing)":

"supervisor (Millinery)" means an employee in a Millinery establishment, who is in charge of employees engaged on production in a workplace and who is responsible for the distribution and efficiency of their work;"

(10) Insert the following new definition after the definition of "trainee":

"trimmer" or "stitcher" means an employee engaged in one or more of the following operations in a Millinery establishment:

- a. the application of trimmings such as elastic, ribbon, flowers or veiling to a ready blocked and shaped hat, according to a given model, by hand;
- b. sewing by hand into hats of headbands, lining or leather, which may include as part of the same operation the stitching by hand of blocked crowns and brims which have been fused or pinned together;
- c. making trimmings by hand according to a given design or pattern;
- d. the wiring of brim or crown of hats by hand;
- e. binding any edge of a hat with ribbon or other material, by hand;
- f. cutting by hand of felt and straw strips for hat edges and trimmings;"

CLAUSE 4 : WAGES

1. Insert the following heading before sub-clause (1):

"A. The following provisions shall apply to employers and employees in the Clothing Sector of the Industry:"

2. Substitute the opening sentence of sub-clause (1) to read as follows:

"(1) Subject to the provisions of sub-clauses (2) (a), 2 (b), (3), (5) and (6) of this clause, not less than the following minimum wages shall be paid to the undermentioned categories of employees **employed in the Clothing Sector of the Industry**, from the date of coming into operation of this Agreement and on each pay day thereafter: Provided that trainees whose increased experience as at 30 June 2003 entitles them to a higher wage in terms of the table below shall be paid the increased wage from the date of coming into operation of this Agreement and an each pay day thereafter."

3. Insert the following heading and sub-clauses after sub-clause (6):

B. The following provisions shall apply to employers and employees in the Millinery Sector of the Industry:

"(7) Subject to the provisions of this Agreement, the minimum wages that shall be paid to and accepted by the undermentioned classes of employees, employed at Millinery Establishments, shall be as follows:

**REFER NEW WAGE SCHEDULE
ACCOMPANYING THIS CIRCULAR**

1. Nothing in this Agreement shall operate to reduce the wage of an employee, who was paid higher than the prescribed minimum rate. Such employee shall continue to receive the higher rate, as if it were the minimum in respect of that employee. This provision shall also apply if an employee obtains employment with another employer in the industry.
2. Any calculation of wages or deductions from wages must be based on a five-day week i.e. the weekly wage divided by five.
3. The minimum wage due to a monthly paid employee shall be calculated at four-and-a-third times the weekly wage due.
4. An employer, who requires an employee of one class of his employees to perform the work of another class, shall either pay:
 - a. a wage calculated on the higher weekly rate than his own class for that period; or
 - b. not less than the wage for the period calculated on the rate specified in the rising scale for the higher class, resulting in a higher wage than that of his own class: provided that the provisions of this clause shall not apply where the difference between classes is based on age or experience.

(12) Where an employer transfers an employee from one class of work to another, the Council shall be notified, in writing of such transfer within 14 days of the date on which the change was put into operation: Provided that where any such change has been in operation for a period less than two weeks and the work which he was performing prior to the change, no notification need be sent to the Council as herein specified."

CLAUSE 6 : SHORT-TIME

Substitute sub-clause 6(1) with the following new clause:

"(1) Where short time has been or is introduced in any workplace after notifying the Council **in writing**, an employee who is not required to work on any day must be given notice of that fact not later than closing time on the working day prior to the day on which his services are not required, except that, if short time is to be worked on a Monday or starting from a Monday, an employee who is not required to work on such Monday shall be given notice of the fact not later than closing time on the preceding Thursday in the case of the Clothing sector of the Industry and by not later than 12h00 the previous Friday in the case of the Millinery sector of the Industry."

CLAUSE 7 : PAYMENT OF AMOUNTS DUE TO EMPLOYEES

1. Insert the following heading before sub-clause (1):

"A. The following provisions shall apply to employers and employees in the Clothing Sector of the Industry:"

2. Insert the following new heading and sub-clauses after sub-clause (6):

"B. The following provisions shall apply to employers and employees employed in the Millinery Sector of the Industry:

1. Wages and other amounts due to an employee shall be paid weekly during working hours: Provided that where an employee's services are terminated on a day other than a pay day, any amounts due shall be paid immediately upon such termination. Failure to pay the amounts immediately, the employer shall pay the employee four hours' pay for every day that the employee is required to collect amounts due at the workplace.
2. Pay may be made in cash, by cheque, or may be deposited into the employee's account with a financial institution, or by bank transfer: Provided that there is prior consultation to reach agreement on who would bear the additional costs which arise in consequence.
3. Payment must be accompanied by a pay slip with the following details of the employee:
 - a. the name, occupation and clock card number;
 - b. the date of employment;
 - c. the rate of pay;
 - d. the total ordinary hours worked;
 - e. the overtime hours worked and the overtime rate;
 - f. any other payments due to the employee;
 - g. the deductions made and the reason for the deductions;
 - h. the period in respect of which payment is made; and
 - i. the actual amount paid to the employee.
1. Payment in cash must be made in an envelop and during working hours.
2. Where an employee is working short time, or the nominated pay day is a holiday, payment shall be made before the employee finishes work for the week.
3. No deductions of any description shall be made from an employee's remuneration, other than the following:
 - a. Whenever an employee is absent from work, other than on the instruction or at the request of his employer, or
 - b. Commences employment with an employer after the beginning of the working week of the workplace concerned, a deduction proportionate to the actual time lost may be made from the remuneration of such employee.
 - c. Where short-time has been introduced, a deduction may be made for the actual time not worked.
 - d. Where an employer closes his workplace during the December shutdown, wages may be deducted for the actual period of the holiday recess but not exceeding a period of 15 working days.
 - e. With the written consent of the employees, deductions may be made by an employer for insurance, provident or pension funds, or for dental plates or dental work not otherwise provided for, or for purposes of repaying a housing loan in terms of a housing loan scheme, approved by the Council.
 - f. Contributions to the –
 - i. Council
 - i. Medical Benefit Society
 - i. Sick Pay Fund

i. Provident Fund

- a. Where, owing to the stoppage of machinery, no work is available for an employee, deductions may be made by the employer from the wage of such employee for time lost in excess of two hours.
 - b. Where an employer is legally or by an order of an competent court required or permitted to deduct any amount.
 - a. With the consent of the employees, deductions may be made by an employer, for contributions to the funds of the trade union.
1. Each employee must be paid a bonus on the day of his employer's annual closure in December of each year, equivalent to one week's wages: Provided that a pro-rata share of the bonus shall be paid to an employee who leaves employment before the annual closure.
 2. The bonus is inclusive of and not additional to any bonus paid by an employer.
 3. For purposes of calculating the bonus, absence of any nature may not be taken into consideration.

CLAUSE 8 : PROPORTION OR RATIO OF EMPLOYEES

1. Insert the following heading before sub-clause (1):

"The following provisions shall apply to employers and employees in the Clothing Sector of the Industry:"

(2) Insert the following new sub-clauses after sub-clause (2):

"The following provisions shall apply to employers and employees in the Millinery Sector of the Industry:

(3) One qualified milliner and one qualified trimmer shall be employed before a trainee milliner or trimmers may be employed in a workplace. For every five trainee milliners and/or trimmers employed in a workplace, at least one qualified milliner and one qualified trimmer shall be employed.

(4) One qualified machine operator shall be employed before employing any other trainee machine operators. For every qualified machine operator, two trainee machine operators shall be employed."

CLAUSE 9 : HOURS OF WORK

1. Substitute sub-clause (1) with the following new sub-clause:

"(1) an employer shall not require or permit an employee, other than an employee referred to in sub-clause (4) -

(a) (i) to work for more than 40 hours, excluding meal intervals, in any one week at a Clothing establishment;

i. for more than 41 hours in any one week at a Millinery establishment;

(b) on more than five days in any week;

(c) on Saturdays or Sundays;

(d) (i) to work more than eight hours per day: Provided that extra time not exceeding 30 minutes per day may be worked on a Monday, Tuesday, Wednesday and Thursday if the working time on Friday of such wage week is shortened by the extra time worked or to be worked on the other four days if the employee is employed at a Clothing establishment;

i. for more than eight and a half hours a day, excluding Friday, where the normal hours shall be half an hour less if the employee is employed at a Millinery establishment;

(e) (i) to work before 07:00 or later than 16:45 or during the rest intervals provided for in subclause (2) of this clause, on any day from Monday to Friday, inclusive if the employee is employed at a Clothing establishment;

i. before 07h30 or after 18h00 from Monday to Friday or during the rest interval, if the employee is employed at a Millinery establishment;

(f) (i) to work more than five hours, without a meal interval of not less than 30 minutes and not more than one hour's duration, except in accordance with the provisions of clause 10 of this Agreement if the employee is employed at a Clothing establishment;

i. to work for longer than five hours without an uninterrupted interval of at least one hour if the employee is employed at a Millinery establishment."

1. Insert the following sentence at the end of sub-clause (3)

"This provision shall not apply to the Millinery Sector."

2. Insert the following sentence at the end of sub-clause (4)

"This provision shall not apply to the Millinery Sector."

3. Insert the following new sub-clause:

"(5) In the case of Millinery establishments, the Council shall be notified of any change in the hours of work."

CLAUSE 12 : HOLIDAY LEAVE

1. Insert the following paragraph at the end of sub-clause (2):

"The provisions of this sub-clause shall not apply to employees employed in the Millinery Sector of the Industry, in which case paragraph (c) below shall apply:

(c) An employee who commenced employment after 1 February, or who terminates his services before the first day in December, shall be paid holiday pay equivalent to 1.25 days' pay for every completed month of service."

2. Insert the following paragraph at the end of sub-clause (5):

"The provisions of this sub-clause shall also not apply to the Millinery Sector of the Industry, in respect of which shall apply that an employee whose services are terminated on or after 1 December, shall be paid a full day's wage in respect of Day of Reconciliation, Christmas Day, Day of Goodwill and New Year's Day: Provided that this shall not apply in the case of an employee who is dismissed on the grounds of misconduct or who commenced employment later than 1 July of that year.

3. Insert the following paragraph at the end of sub-clause 11(e):

"The provisions of paragraph (e) above shall not apply to employees employed in the Millinery Sector of the Industry."

4. Insert the following new sub-clause:

"(12) The following Sick Leave provisions shall apply to employees employed only in the Millinery Sector of the Industry:

- a. All employees shall be entitled to 10 days' sick leave on full pay in any 12 months.
- b. During the first six months of employment, an employee is entitled to one day's paid sick leave for every 26 days' worked."

CLAUSE 13 : TERMINATION OF EMPLOYMENT

1. Substitute sub-clause (1)(c) to read as follows:

"(c) monthly paid employees employed in the Clothing Sector of the Industry shall give or be given not less than 30 days' notice, in writing, to be given in advance on the first or the 15th day of the month to take effect from such day."

2. Insert the following new paragraph:

"(d) monthly paid employees employed in the Millinery Sector of the Industry shall give or be given not less than two weeks' notice, in writing."

CLAUSE 16 : OVERALLS AND EQUIPMENT

Substitute Clause 16 with the following new clause:

"16: OVERALLS AND EQUIPMENT

A1. OVERALLS (Provisions for Employers and Employees in the Clothing Sector of the Industry) –

1. Every employer shall, within three months of the commencement of employment of an employee, issue an employee with a new overall and shall annually thereafter issue such employee with a new overall: Provided that if overalls were issued to an employee in terms of the former clause 25, the new overall shall be issued to such employee not later than 1 July of each year. An employee to whom such overalls have been issued in terms hereof shall be required to wear such overalls during all working hours, and shall be responsible for the good condition and laundering, away from the workplace where he is employed, of such overalls: Provided further that an employer may launder his overalls and withdraw the right of an employee to take such overalls away from the workplace where he is employed.
2. An employee shall, on termination of his services, return the overall last issued to him, and should an employee fail to return the overall, the employer shall be entitled to deduct R5,00 from his wages and/or holiday pay.
 1. For the purposes of his clause, the terms "overall" shall include protective garments approved by the Council.
2. Every employer shall keep a record of overalls issued reflecting the name of the employee receiving the overall, the signature of the employee, the date of issue and date of return and shall retain such record for inspection by the Council's designated agents, as required.

A2. OVERALLS (Provisions for Employers and Employees in the Millinery Sector of the Industry) –

1. An employer shall, within six months of the commencement of employment of an employee or six months of the date of publication of this Agreement, issue every employee with two new overalls/protective garments of the required size and as approved by the Council. Thereafter, two overalls shall be issued to every employee every 12 months.
2. An employee to whom such overalls have been issued in terms hereof, shall be required to wear such overalls during all working hours and shall be responsible for the good conditions and laundering of such overalls away from the workplace where he is employed: Provided that an employer may launder his overalls and withdraw the right of an employee to take such overalls away from the workplace where he is employed. Nothing contained in this sub-clause shall be so construed as to reduce the obligations imposed on any employer in regard to protective clothing and appliances as laid down in the Occupational Health and Safety Act, 1993, or the regulations published under that Act.
3. Should an employer fail to provide his employee with an overall or overalls as specified in sub-clause (1) within 60 days of the due date of issue, such employer, having been given two weeks' written notice by the Council, shall be liable to pay to his employee, as penalty, an amount equal to R1,50 per overall not issued in respect of every period of 30 days which has lapsed from the due date of issue of such overall or overalls.
4. It shall be compulsory for an employee who has been issued with an overall or overalls in terms of sub-clause (1) of this clause to wear an overall or overalls whilst at work, and the employer shall have the right to warn any employee failing to wear an overall at work and to notify such employee, in writing, that he must appear at work wearing an overall on the working day following the day on which the notice is given. Should an employee fail to appear at work wearing an overall for five consecutive days, due notice in writing have been given to the employee, the employer shall have the right to issue such employee with an overall with an overall and deduct R1,50 from the wages of such defaulting employee. The deduction referred to in this clause shall be made from the due wages of the employee on the first pay day following the failure to appear with an overall or on the first pay day after the issue of the new overalls.

B. EQUIPMENT (Provisions for Employers and Employees in only the Clothing Sector of the Industry) –

1. Every employer shall supply equipment to his employees who need them for the purpose of their employment, at the price paid therefor by the employer.
2. The cost of such equipment may be deducted from the employee's wages in weekly instalments, as mutually agreed upon between the employer and employee.
3. The employer shall keep the equipment in good order, free of charge.
4. An employee shall be responsible for the replacement of the equipment issued to him which have been lost, provided that the employer supplied the employee with individually lockable storage for such equipment."

A.2 Fund Agreement

The Council has also agreed to incorporate the former Millinery Agreement's "Medical Benefit Society", "Provident Fund" and "Sick Pay Fund" provisions into its **Fund** Collective Agreement for the Northern Region. Also enclosed, for your convenience, is copy of the Council's Fund Agreement which will be up-dated on the Council's website once the following adopted amendments have been gazetted:

CLAUSE 5 : MEDICAL BENEFIT SOCIETY

1. Amend the heading to this clause to read as follows:

"5. MEDICAL BENEFIT SOCIETIES"

2. Insert the following new heading and opening sentence before sub-clause (1):

"A. Clothing Industry Medical Benefit Society (Northern Areas)

The following provisions shall apply to the above Society only and shall not be construed as to include, or to be confused with, the Society referred to in Part B of this clause:"

3. Substitute sub-clauses 2(a) and (b) with the following new sub-clauses:

"(2) (a) Every employer shall on the pay day of each pay week deduct from the wages of each of his employees for whom minimum wages are prescribed in Part A of Clause 4(7) of the Main Agreement (Clothing) of this Council, other than employees referred to in subclause (8) (a) (iii), an amount of R7,20 : Provided that no deduction shall be made from the wages of any employee who has worked less than 20 hours in the week in which the deductions fall due.

- a. The employer shall in the manner set out in paragraph (c) below, pay the amounts so deducted, together with an amount of R7,60 in respect of each employee from whose wages deductions were made in terms of paragraph (a) above."

1. Insert the following new Part after sub-clause (19):

"B. Millinery Industry Medical Benefit Society (Northern Areas)

The following provisions shall apply to the above Society only and shall not be construed as to include, or to be confused with, the Society referred to in Part A of this clause:"

1. The Society known as the Millinery Industry Medical Benefit Society (Northern Areas) is hereby continued.

(2) (a) Every employer shall, on the pay day of each pay week deduct from the wages of each of his employees for whom minimum wages are prescribed in Part B of Clause 4(7) of the Main Agreement (Clothing) of the Council, an amount of R7,20: Provided that no deduction shall be made from the wages of any employee who has worked less than 20 hours in the week in which the deductions fall due.

- a. The employer shall in the manner set out in paragraph (c) below, pay the amounts so deducted, together with an amount of R7,60 in respect of each employee from whose wages deductions were made in terms of paragraph (a) above.

- b. The total sum representing the employer's contribution and the members' contributions in terms of paragraphs (a) and (b) above, shall be forwarded monthly by the employer to Secretary of the Council, P.O. Box 5101, Johannesburg, 2000, together with a statement in the form and manner specified by the Council, within seven days from the end of the week in which the deduction fall due.

(3) A copy of the constitution, rules and list of benefits and amendments thereof shall be available for inspection by any registered employer or employee in the Industry at the offices of the Council."

1. Amend the heading to this clause to read as follows:

"9. PROVIDENT FUNDS"

2. Insert the following new heading and opening sentence before sub-clause (1):

"A. Clothing Industry Provident Fund (Northern Areas)

The following provisions shall apply to the above Fund only and shall not be construed as to include, or to be confused with, the Fund referred to in Part B of this clause:"

3. Substitute sub-clause (5)(a)(i) with the following new sub-clause:

"(5) (a) (i) Every employer shall, on the pay day of each pay week, deduct from the wages of each contributor in his employ, 5,75% of the prescribed wage payable to such contributor in terms of Part A of Clause 4(7) of the Main Agreement (Clothing) of the Council, calculated to the nearest cent: Provided that no deduction shall be made from the wages of a contributor who has worked for less than 20 hours in the week in which the deductions fall due."

(8) Insert the following new Part after sub-clause (15):

"B. Millinery Industry Provident Fund (Northern Areas)

The following provisions shall apply to the above Fund only and shall not be construed as to include, or to be confused with, the Fund referred to in Part A of this clause:"

1. The Fund known as the Millinery Industry Provident Fund (Northern Areas) (the Fund) is hereby continued.

(2) (a) (i) Every employer shall, on the pay day of each pay week, deduct from the wages of each contributor in his employ who has completed the trial period, 5,75% of the prescribed wage payable to such contributor in terms of Part B of Clause 4(7) of the Main Agreement (Clothing) of the Council, calculated to the nearest cent: Provided that no deduction shall be made from the wages of a contributor who has worked for less than 20 hours in the week in which the deductions fall due.

- i. To the aggregate amount deducted under subparagraph (i), every employer shall contribute an amount equal to 6,5% in respect of each employee.

- ii. The employer, shall forward the total mounts deducted under subparagraph (i), together with his own contributions in terms of subparagraph (ii), to the Secretary of the Council, P.O. Box 5101, Johannesburg, 2000, together with a statement in the form and manner specified by the Council, within seven days from the date on which the deductions were made.

(c) The provision of subclause 4(3) of this Agreement shall *mutatis mutandis* apply to this clause.

(3) A copy of the constitution, rules and list of benefits shall be available for inspection by any registered employer or employee in the Industry at the office of the Fund during ordinary office hours."

9. Amend the heading to this clause to read as follows:

"7. SICK PAY FUNDS"

10. Insert the following new heading and opening sentence before sub-clause (1):

"A. Clothing Industry Sick Pay Fund (Northern Areas)

The following provisions shall apply to the above Fund only and shall not be construed as to include, or to be confused with, the Fund

referred to in Part B of this clause:"

11. Substitute sub-clause (2)(a) with the following new sub-clause:

"(2) (a) Every employer shall on the pay day of each pay week deduct from the wages of each of his employees for whom minimum wages are prescribed in Part A of Clause 4(7) of the Main Agreement (Clothing) of this Council an amount of R1,50: Provided that no deduction shall be made from the wages of an employee who has worked less than 20 hours in the week in which the deductions fall due."

12. Insert the following new Part after sub-clause (12):

"B. Millinery Industry Sick Pay Fund (Northern Areas)

The following provisions shall apply to the above Fund only and shall not be construed as to include, or to be confused with, the Fund referred to in Part A of this clause:"

1. The fund known as the Clothing Industry Sick Pay Fund (Northern Areas), in this part referred to as the "Fund", is hereby continued.

(2) (a) Every employer shall on the pay day of each pay week deduct from the wages of each of his employees for whom minimum wages are prescribed in Part B of Clause 4(7) of the Main Agreement (Clothing) of the Council, and who has completed the trial period, an amount of R1,50: Provided that no deduction shall be made from the wages of an employee who has worked less than 20 hours in the week in which the deductions fall due.

- a. The employer shall, in the manner set out in paragraph (c) below, pay the amounts so deducted, together with an amount of R1,70 in respect of each employee from whose wages deductions were made in terms of paragraph (a) above.

(c) The total sum representing the employer's contribution and the members' contributions in terms of paragraphs (a) and (b) above, shall be forwarded monthly by the employer to the Secretary of the Council, P.O. Box 5101, Johannesburg, 2000, together with a statement in the form and manner specified by the Council, within seven days from the end of the week in which the deductions fall due.

(3) A copy of the constitution, rules and list of benefits shall be available for inspection by any registered employer or employee in the Industry at the office of the Fund during ordinary office hours.

1. The provisions of Clause 4(3) of this Agreement shall mutatis mutandis apply to this clause."

It is recommended that you study the Council's Main Collective Agreement for the Northern Region (Clothing) and Fund Collective Agreement for the Northern Region as such Agreements, in their entirety (excepting as amended above), now apply to all millinery establishments in the Northern Region.

B. 2004 NEGOTIATED SETTLEMENT

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, **which now includes the Millinery Sector of the Northern Region**, 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% (less 30 cents for the Sick Pay Fund) 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 an 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' contributions increase by 50 cents from R1,50 to **R2,00** per week. The Employer's contributions to the Sick Pay Fund also increases by 50 cents per week plus the 30 cents deducted from wages, i.e. from **R2,30** and **R2,50** per week. This increase has been costed as part of the 5% negotiated settlement.

2.2 Medical Benefit Society

Employees' and the Employer's contributions to the Medical Benefit Society remains unchanged at R7,20 and R7,60 per week, respectively.

2.3 Provident Fund

Employer Contribution Rate:

The Employer's contribution rate remains unchanged 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 Province of the Transvaal as it existed prior to the coming into operation of the Constitution of the Republic of South Africa)

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 currently under construction. However, people who have access to the Internet can already view and download the Main & Provident Fund Collective Agreements of the various "metro" areas which are in the form of consolidated agreements i.e. the originally published agreements but updated as per any subsequent published amendment. 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