

**NATIONAL BARGAINING COUNCIL
FOR THE
CLOTHING MANUFACTURING INDUSTRY
NORTHERN CHAMBER**

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Telephone Enquiries : Labour Affairs Department

1 September 2007

TO : ALL EMPLOYERS SUBJECT TO PART D OF THE COUNCIL'S NATIONAL MAIN COLLECTIVE AGREEMENT (NORTHERN REGION CLOTHING & MILLINERY SECTORS WITHIN THE "METRO" AREAS ONLY OF THE NORTHERN CHAMBER OF THE NATIONAL BARGAINING COUNCIL FOR THE CLOTHING MANUFACTURING INDUSTRY)

Dear Sir/Madam

INFORMATION CIRCULAR TO THE INDUSTRY FOLLOWING THE 2007 ROUND OF NEGOTIATIONS

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

The Parties to the National Bargaining Council have concluded a Collective Agreement in terms of which the total labour cost increase for all "Metro" regions amounts to **5.5%** with effect from 1 September 2007. The increase in total labour cost also has other consequential contribution increases as reflected hereunder. The parties further agreed that the employers contribution to the Sick Pay Fund will be increased by an additional R1,50 per worker per week (i.e. 5.5% plus R1,50).

The Agreement will be submitted to the Minister of Labour with a request that it be extended to employers and employees in the Industry, other than those who are party to the Agreement, i.e. all Non-Parties.

Details of the negotiated settlement in respect of the Northern Metro Region (Clothing) (Part D of the Council's National Main Collective Agreement) are as follows:-

1. New wage rates and across-the-board increases for the period commencing 1 September 07

The new wage rates from 1 September 2007, which reflect an across-the-board increase of 5.5% on all grades, **rounded** to the nearest 10 cents, are enclosed.

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

2.1 Sick Pay Fund

The employee contribution rate to the Sick Pay Fund increases by 14 cents from R2,50 to R2,64 per week, whilst the employer contribution rate increases by R1,64 cents from R2,63 to R4,27 per week. These now are:

| | | |
|----------|---|-------|
| Employee | : | R2,64 |
| Employer | : | R4,27 |

2.2 Medical Benefit Society

The employee contribution rate to the Medical Benefit Society increases by 42 cents from R7,70 to R8,12 per week, whilst the employer contribution rate increases by 44 cents from R7,98 to R8,42 per week. These now are:

| | | |
|----------|---|-------|
| Employee | : | R8,12 |
| Employer | : | R8,42 |

2.3 Provident Fund

The employer and employee contribution rates to the Provident Fund remain unaltered as:

Employee : 5.75%
Employer : 6,5%

3. **Trade Union Deductions**

The Trade Union subscription rate for its members remains unchanged at 1% of the member's basic wage rate with a new *minimum* of R5,00 per week and a new *maximum* of R9,20 per week, effective 1 September 2007. The contribution rate towards its funeral scheme remains R1,20 per week bringing the **total new minimum** to R6.20 per week (i.e. the R5,00 plus the R1,20) and the **total new maximum** to R10,40 per week (i.e. the R9,20 plus the R1,20). The Trade Union has sent out a separate notice in this regard.

4. **Schedule of Deductions**

A revised schedule of weekly deductions and contributions accompanies this circular.

5. **Non-Metro Areas (for the purposes of this circular, means all areas of the old Province of the Transvaal not covered by Parts D (Clothing) and E (Knitting) of the Council's National Main Collective Agreement for the Northern Region)**

A separate circular is being distributed to all establishments in the non-metro areas, nationally.

6. **Council's Website (www.nbc.org.za)**

The Council's website on the Internet is regularly being updated. Those who have access to the Internet can view and download the Main & Provident Fund Collective Agreements of the various "metro" and non-metro areas. 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