



# NATIONAL BARGAINING COUNCIL FOR THE CLOTHING MANUFACTURING INDUSTRY

## NORTHERN CHAMBER

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### CIRCULAR NO. NC/5/2019

Telephone Enquiries : Labour Affairs Department

30 August 2019

**TO : ALL EMPLOYERS SUBJECT TO PART E OF THE COUNCIL'S NATIONAL MAIN COLLECTIVE AGREEMENT (NORTHERN REGION (KNITTING) 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***

#### **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)**

The Parties to the National Bargaining Council have concluded a **two year** Collective Agreement in terms of which the total labour cost increase for all "Metro" regions amounts to **7.5%** with effect from and backdated to 1 September 2018, for the 1st year of the Agreement.

For the 2nd year of the Agreement, a further total labour cost increase of CPI plus 1% shall become applicable with effect from 1 September 2019, provided that in the event of CPI plus 1% resulting in the total labour cost increase being less than the rand value increase for 2018, the adjustment shall be the rand equivalent of the 2018 total labour cost increase. Should the CPI plus 1% for the second year 2019, exceed this, the parties shall renegotiate the total labour cost quantum.

For the purpose of the immediate previous paragraph of this information circular, the CPI shall refer to the CPI figure to be the year on year values as at November 2018 as determined by Stats SA.

**As a result of the CPI plus 1% calculated as at November 2018 resulted in the rand value being less than the rand value for 2018, the increase for 2019 shall be the exact rand value cost.**

This circular summarises the outcome of the Industry negotiations.

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. to all Non-Parties.

Party companies are automatically covered by the terms of the 2018-2020 signed Agreement.

Details of the negotiated settlement in respect of the Northern Metro Region (Knitting) (Part E of the Council's National Main Collective Agreement) are set out below.

#### **1. INCREASE TO TOTAL LABOUR COST**

The increase to total labour cost for all current employees (inclusive of those previous employees who rejoin the industry after less than 3 years absence from the industry) shall be **the exact rand value applicable for 2018 shall be applied**, for each of the job categories prescribed for these areas with effect from **1 September 2019, rounded** to the nearest 50 cents. (The increase shall be back dated to **1 September 2019** and back pay will be due). The new wage schedules incorporating the new wage rates after the 2019/2020 agreed increases are attached. Please note that there are **two** enclosed sets of

**Wage Schedules, Group A & Group B**, one applicable to those companies that **HAVE** registered a productivity agreement with the Bargaining Council, another applicable to those companies that **HAVE NOT** registered a productivity agreement and **new wage rates** applicable to the new employees on the Incentivised Wage Scheme which became effective from 1 September 2012.

2. In addition to clause 1 above, the circular summarising the outcome of the Industry negotiated new increase has been adjusted to all job categories affected by the National Minimum Wage Act to ensure that the current prescribed rates are compliant with the National Minimum Wage Act in the Industry.

### 3. CONTRIBUTIONS

#### 3.1 Sick Pay Fund

The employee contribution rate to the Sick Pay Fund remains unaltered at R3,07 per week, whilst the employer contribution rate increases from **R7.72 to R8.26** per week. These now are:

Employee : R3.07  
Employer : R8.26

#### 3.2 Medical Benefit Society

The employee contribution rate to the Medical Benefit Society remains unaltered at R8,91 per week, whilst the employer contribution rate increases from **R24.69 to R26.41** per week. These now are:

Member Employee : R8.91  
Employer : R26.41  
  
Spouse Employee : R8.91  
Employer : R26.41

#### 3.3 Provident Fund

The employer's contribution rate to the Provident Fund **remains unaltered** at 7% and employee contribution rate **remains unaltered** at 5.75%.

**Please note that the Provident Fund contributions are payable for the full 52 weeks of the year.**

#### 3.4 Bargaining Council Levy

The Bargaining Council levy payable by the employee shall be **R3.04** per week deducted from each employee's wage and the Bargaining Council Levy payable by the employer shall be **R3.27**.

#### 3.5 Across-the-board Increases in Employer Contributions

The following levies and contributions payable by the Employer has been increased by the agreed Total Labour Cost increase of 6.97%:

Category	Old Rate (p.w. per employee) 2018/19	New Rate (p.w. per employee) 2019/20
Industry Protection Fund	20c	21c
SACTWU Worker Health Programme	65c	70c
SACTWU Bursary Fund	43c	46c

### 4. TRADE UNION DEDUCTIONS

The **Trade Union Subscription** rate for its members remains at 1% of the member's basic wage rate with a *new minimum* of **R12.45** per week and a *new maximum* of **R21.15** per week, effective 1 September 2019/20 together with the funeral scheme contribution of R2.00 per week which brings the total **new**

**minimum to R12.45** per week (i.e. the R10.45 plus the R2.00) and the **total new maximum to R21.15** per week (i.e. the R19.15 plus the R2.00). Companies are to ensure that the correct union fee deductions are implemented and transmitted to the Bargaining Council as part of your monthly returns.

**NB:** For all Non-Union Members, an Agency Fee deduction of 1% of the basic weekly wage with the minimum of **R10.45** per week and the maximum of **R19.15** per week is applicable. Companies are to ensure that the correct agency fee deductions are implemented and transmitted to the bargaining council as part of your monthly returns.

**5. EMPLOYER AGENCY SHOP FEE**

The Employer Agency Shop Fee is payable by employers who are not members of the Employers' Association and remains unaltered for employers who employ 60 or less employees is **R250.00** per month and it is **R4.25** per employee per month for employers who employ more than 61 and more employees.

**6. FAMILY RESPONSIBILITY LEAVE**

6.1 The provisions relating to the Family Responsibility Leave as contained in the various parts of the Main Collective Agreement shall be extended to apply to an employee's spouse or life partner, parent or adoptive parent, grandparent, child or adopted child, grandchild or sibling, with effect from 1 September 2018.

**7. LEAVE PAY**

One (1) day's pay shall be added to the leave pay for all employees effective in the second year of this Agreement, i.e. December 2019.

**8. SHOP STEWARD'S LEAVE**

Shop Stewards who are Office Bearers of the Trade Union shall be granted one (1) additional day's paid leave effective 1 September 2018 and a further additional one (1) effective 1 September 2019. Applications for leave by Shop Stewards who are Office Bearers of the Trade Union to attend Constitutional meetings of the Trade Union and the Federation to which the Trade Union is affiliated will not be unreasonably declined

**9. SCHEDULE OF DEDUCTIONS**

A revised schedule of weekly deductions and contributions is enclosed.

**10. 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.

**11. 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 telephone no .011 402-2737.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Paul Wild', with a horizontal line underneath.

**PAUL WILD**  
**ACTING REGIONAL SECRETARY**