



# NATIONAL BARGAINING COUNCIL FOR THE CLOTHING MANUFACTURING INDUSTRY

## CAPE CHAMBER

Address: 7th Floor, Industria House, 350 Victoria Road, Salt River 7925

Tel: 021 460 4000 Fax: 021 447 0628 Post: P O Pox 1142, Woodstock 7915 Website: www.nbc.org.za

## CIRCULAR NO. CC/03/21

03 February 2021

Telephone Enquiries: Labour Affairs Department

**TO: ALL EMPLOYERS SUBJECT TO PART A OF THE COUNCIL'S NATIONAL MAIN COLLECTIVE AGREEMENT - CLOTHING, GARMENT KNITTING, HOSIERY AND MILLINERY SECTORS FOR THE "METRO" AREAS OF THE EASTERN CAPE CHAMBER OF THE NATIONAL BARGAINING COUNCIL FOR THE CLOTHING MANUFACTURING INDUSTRY**

Dear Sir/Madam,

### **INFORMATION CIRCULAR TO THE INDUSTRY FOLLOWING THE 2021 ROUND OF NEGOTIATIONS**

#### **METRO AREAS ONLY**

**(i.e. those establishments situated within the Magisterial Districts of East London, Hankey (portion), Mdantsane (portion), Port Elizabeth and Uitenhage (portion))**

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 **3.7%** with effect from 1 March 2021, for the 1st year of the agreement. For the 2nd year of the agreement, a further total labour cost increase of CPI plus 1% provided that in the event of CPI plus 1% resulting in the total labour cost increase being less than the rand value increase for 2021, the adjustment shall be the rand equivalent of the 2020/2021 total labour cost increase. Should the CPI plus 1% for the second year 2022, exceed this, the parties shall renegotiate the total labour cost quantum.

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 signed Agreement.

Details of the negotiated settlement in respect of the Eastern Cape Metro Region (Part A of the Council's National Main Collective Agreement) are as follows:

#### **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 **3.7%** with effect from **1 March 2021, rounded** to the nearest 50 cents. (The increase shall be back dated to 1 March 2021 and back pay will be due). The new wage schedules incorporating the new wage rates after the 2020/2021 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 a **new category of wage rates** applicable to the new employees on the Incentivised Wage Scheme effective from 1 March 2021.

#### **2. CONTRIBUTIONS**

##### **2.1 Medical Aid (Prime Cure)**

- The **Employee** contribution rates to the Medical Aid remains unaltered at **R22.89** per employee per week.
- The **Employer** contribution rates to the Medical Aid increases by **3.7%** from **R24.78** per

employee per week to **R25.70** per employee per week.

## 2.2 Provident Fund

### Employer Contribution Rate:

The Provident Fund contribution rate for employers remains unaltered as follows:

Qualified Machinist's earnings of R1 300.00 or more : Employer: 6.79%  
Earnings below Qualified Machinist's rate of R1 300.00 : Employer: 6.99%

### Employee Contribution Rate:

The Provident Fund contribution rate for employees remains unaltered, as follows:

Qualified Machinist's earnings of R1 300.00 or more : Employee: 3,60%  
Earnings below Qualified Machinist's rate of R1 300.00 : Employee: 3,80%

## 2.3 Bargaining Council Levy

The Bargaining Council levy payable per week by Employers remains unchanged at 0.33% of each employee's wages. The percentage payable by Employees remains unaltered, at 0.23%. These percentage contributions are capped at a maximum of **R4.74** of each employees' weekly wage for employers, and for employees, it is capped at a maximum of **R3.10** per week.

## 2.4 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 **3.7%**:

Category	Old Rate	New Rate (p.w. per employee)
Industry Protection Fund	19c	20c
SACTWU HIV/AIDS Project	70c	73c
SACTWU Bursary Fund	47c	49c

## 2.5 Supplementary Benefits Fund

The employer contribution has increased by **3.7%** from **R1.39** to **R1.45** per employee per week. The employee contribution from 64c to **67 cents**.

## 3. TRADE UNION DEDUCTIONS

The Trade Union Subscription rate for its members changes to 1% of the member's basic wage rate with a *new minimum* of R13.73 per week and a *new maximum* of R23.09 per week, effective 1 March 2021 inclusive of the funeral scheme contribution of R2,50 per week. 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 R11.23 per week and the maximum of R20.59 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

## 4. FAMILY RESPONSIBILITY LEAVE

4.1 An employer must grant an employee, during each annual leave cycle, three (3) days paid family responsibility leave.

4.2 This clause applies to an employee –

- a) Who has been in employment for a period of four months; and
- b) Who works for at least four days a week for that employer.

**5. ONCE-OFF PAYMENT**

A once-off payment equivalent to one (1) day's pay at the rates applicable as at the end of December 2020 shall be paid to all employees by no later than 1 June 2021.

**6. BACKPAY**

13.1 The parties agree that all employers in the industry should implement the terms of this agreement, backdated to its effective date, especially regarding (but not restricted to) the implementation of the wage increases consented to in this agreement.

13.2 The NBC is required, as soon as possible after the effective date of this agreement but no longer than 4 weeks after the gazettal date, to conduct an industry survey to determine the extent of implementation of the wage increases envisaged in this agreement.

**7. OTHER CONDITIONS**

All other previously agreed terms and conditions not specifically varied by the provisions of this Agreement shall remain in force and effect, unless agreed otherwise through collective bargaining between the parties, at NBC level.

**8. SCHEDULE OF DEDUCTIONS**

A revised schedule of weekly deductions and contributions is enclosed.

**9. NON-METRO AREAS (for the purposes of this circular, means all areas of the Eastern Cape Province other than the magisterial districts listed in the bolded heading of this circular)**

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

**10. COUNCIL'S WEBSITE ([www.nbc.org.za](http://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 the Eastern Province Clothing Manufacturers' Association (EPCMA) should be directed to their Association. In the case of non-party establishments, enquiries should be directed to the Council's Cape Chamber offices in **Cape Town on (021) 460 4000**. Kindly make the necessary arrangements to give effect to the new terms and conditions of employment, arising from this year's substantive negotiations.

Yours faithfully,

**N MGUMANE**  
**REGIONAL SECRETARY**