



# 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/02/21

02 February 2021

Telephone Enquiries : Labour Affairs Department

**TO : ALL EMPLOYERS SUBJECT TO PART G OF THE COUNCIL'S NATIONAL MAIN COLLECTIVE AGREEMENT (COUNTRY AREAS) WITHIN THE 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**

#### **MAGISTERIAL DISTRICTS OF GEORGE & WORCESTER ONLY**

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.

Details of the negotiated settlement in respect of the Western Cape Country Areas (Part G 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 **3.7%**, for each of the job categories prescribed for these areas with effect from 1 March 2021, **rounded** to the nearest 50 cents. The increase shall be effective from 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 September 2012.

## 2. NEW CEILING WAGE RATE

The scope of the Cape Country Areas part of the Main Agreement will be adjusted to raise the ceiling wage rate as follows :

Period: 1 March 2021 to 31 August 2021		
ANNUAL	MONTHLY PAID	WEEKLY PAID
R106 652.00	R8 888.50	R2 051.00

## 3. CONTRIBUTIONS

### 3.1 Provident Fund

#### Employer Contribution Rate:

The **Employer's** contribution rate to the Provident Fund **remains unaltered** at **6,75%** of the weekly wage rate, which rate is based on employees' actual basic wage. The **maximum** Provident Fund contribution rate payable by employers will be **R138.45** per employee per week or **R600.00** per employee per month

#### Employee Contribution Rate:

The **Employees'** contribution rate to the Provident Fund **remains unaltered** at **6,03%**, which rate is based on employees' actual basic wage.

The **maximum** deduction for Provident Fund from the earnings of **employees** will be **R123.50** per employee per week. The **maximum** Provident Fund contribution rate payable by **employers** will be **R536.00** per employee per week.

### 3.2 Bargaining Council Levy

The Bargaining Council Levy payable by the employer **remains unaltered** at **0.4%**, calculated on each employee's wage rate, up to a maximum of **R4.98 per week**.

The Bargaining Council Levy payable by the employee **remains unchanged** **0.3%**, calculated on each employee's wage rate, up to a maximum of **R3.43 per week**.

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

The following new levies and contribution rates payable by the Employer has been increased by 3.7% and becomes applicable from 1 March 2021:

Category	Old Rate (p.w. per employee) 2019/2020	New Rate (p.w. per employee) 2020/2021
Industry Protection Fund	31c	32c
SACTWU Capacity Building Fund	60c	62c
SACTWU HIV/AIDS Project	70	72c
SACTWU Bursary Fund	45	47c

#### 4. 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 **R11.23** per week and a *new maximum* of **R20.59** per week, effective 1 March 2021 together with the funeral scheme contribution of **R2,50** per week which remains unchanged, bringing the *total new minimum* to **R13.73** per week (i.e. the R11.23 plus the R2,50) and the *total new maximum* to **R23.09** per week (i.e. the R20.59 plus the R2,50). 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.

#### 5. NBC DISPUTE RESOLUTION LEVY

The dispute resolution levy payable by employers who are not members of any of the employer associations' party to the Bargaining Council has been increased by 6.97%. The new levy for employers who employ 40 or less employees is **R203.40** per month and it is **R4.17** per employee per month for employers who employ more than 40 employees.

#### 6. ONCE-OFF PAYMENT

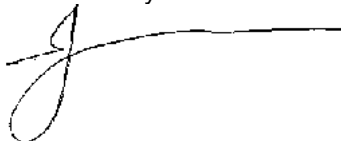
A once-off payment equivalent to one (1) day's pay at the rates applicable as at the end of December 2020 shall be paid to all employees by no later than 1 June 2021.

#### 7. COUNCIL'S WEBSITE ([www.nbc.co.za](http://www.nbc.co.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 **party employer 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 (021) 460-4000.

Yours faithfully



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