



NATIONAL BARGAINING COUNCIL FOR THE CLOTHING MANUFACTURING INDUSTRY

KWA-ZULU NATAL CHAMBER

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Telephone Enquiries: Labour Affairs Department

11 August 2021

TO: ALL PARTY & NON-PARTY EMPLOYERS SUBJECT TO PART C OF THE COUNCIL'S NATIONAL MAIN COLLECTIVE AGREEMENT (CLOTHING, GARMENT KNITTING, HOSIERY & MILLINERY SECTORS FOR THE "METRO" AREAS ONLY OF THE KWAZULU-NATAL CHAMBER OF THE NATIONAL BARGAINING COUNCIL FOR THE CLOTHING MANUFACTURING INDUSTRY)

Dear Sir/Madam

INFORMATION CIRCULAR TO THE INDUSTRY

METRO AREAS ONLY

Parties to the Council have concluded a Party-to Party Substantive Agreement for the period 1 September 2020 until 31 August 2022. The Agreement shall bind the Parties and their members. The provisions in the Agreement will be submitted to the Department of Employment & Labour for extension to cover all non-parties and non-signatory party employer associations within the geographic scope of the areas covered by the National Bargaining Council for the Clothing Manufacturing Industry.

The **current prescribed rates** for all job categories in the areas referred to above shall remain in effect from **1 September 2021 until 31 August 2022.**

Effective **1 September 2021** the total labour cost in these areas shall be increased as follows:

An increase of CPI year-on-year for November 2020 plus 1%

Therefore, effective **1 September 2021** the total labour cost will be increased by 4.2%

1. INCREASE TO TOTAL LABOUR COST

The increase to total labour cost for all current employees (inclusive of those previous employees who re-join the industry after less than 3 years' absence from the industry) rounded to the nearest 5 cents. The new wage schedules incorporating the new wage rates after the 2020/2022 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. 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 Benefit Fund

The employee contribution rate remains unaltered at 1.5% of employees wage per week and the employer contribution rate remains unaltered at 1.75% of employees wage per week.

3.2. Provident Fund

Employer Contribution Rate:

The employer's contribution rate to the Provident Fund has remains unaltered at **7.5%** of the weekly wage rate i.r.o employees earning up to **R3 742.75** pw or **R16206.10** pm and not in respect of employees whose occupation is monthly paid and of a managerial, specialist technical or non-production related nature.

Employee Contribution Rate:

Employees' contribution rate to the Provident Fund remains unaltered at **6.5%**, of the weekly wage rate i.r.o employees earning up to **R3 742.75** pw or **R16206.10** pm and not in respect of employees whose occupation is monthly paid and of a managerial, specialist technical or non-production related nature.

3.3. Bargaining Council Levy

The Employer contribution remains unaltered at **0.35%**, calculated on a qualified machinist's wage rate which equates to **R5.24** per week.

The Employee contribution remains unaltered at **0.2585%** calculated on a qualified machinist's wage rate which equates to **R3.87** per week.

3.4. Holiday leave Benefit (Annual Bonus)

The Employer contribution remains unaltered at 3.97% of actual annual basic wages.

4. TRADE UNION DEDUCTIONS

Category	Old Rate (p.w. per employee) 2020/2021	New Rate (p.w. per employee) 2021/22
SACTWU WORKERS HEALTH	66c	69c
SACTWU Bursary Fund	47c	49c

The trade union subscription remains the same: 1% of the weekly wage subject to a minimum of **R11.23** and a maximum of **R20.59**. The funeral scheme contribution has changed from **R2.00** to **R2.50** per week, thus ensuring an effective minimum of **R13.73** per week (**R11.23** plus **R2.50**) and a maximum of **R23.09** per week (**R20.59** plus **R2.50**), all inclusive. 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. SCHEDULE OF DEDUCTIONS

A revised schedule of weekly deductions and contributions is enclosed.

6. NON-METRO AREAS

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

7. 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 031 362 0700.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Thamani Naidoo'. The signature is stylized with a large, looped initial 'T' and a small dash above the 'i'.

THAMANI NAIDOO

REGIONAL SECRETARY