



NATIONAL BARGAINING COUNCIL FOR THE CLOTHING MANUFACTURING INDUSTRY

CAPE CHAMBER

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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 2018 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 industry will recall that the Parties to the National Bargaining Council concluded a two year Collective agreement in 2018. This circular, therefore, outlines the total labour cost increase for 2018/2020 which is in line with the two-year agreement concluded last year.

The Amending Agreement which reflects the new conditions 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 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 the rand equivalent of the 2018 total labour cost increase for each of the job categories prescribed for these areas with effect from **1 September 2019, rounded** to the nearest 50 cents. 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 a **new category of wage rates** applicable to the new employees on the Incentivised Wage Scheme effective from 1 September 2012.

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 **the average percentage increase i.e. 6.97%** from **R23.17** per employee per week to **R24.78** per employee per week

2.2 Provident Fund

Employer Contribution Rate:

The employer's contribution rate to the Provident Fund has **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 **R4.57** of each employees' weekly wage for employers, and for employees, it is capped at a maximum of **R2.99** 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 average percentage increase of **6.97%**:

Category	Old Rate (p.w. per employee) 2018/19	New Rate (p.w. per employee) 2019/2020
Industry Protection Fund	18c	19c
SACTWU HIV/AIDS Project	66c	70c
SACTWU Bursary Fund	44c	47c

2.5 Supplementary Benefits Fund

An employer contribution has increased by **6.97%** from **R1.30** to **R1.39** per employee per week. The employee contribution from **60 cents** to **64 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 R10.45 per week and a *new maximum* of R19.15 per week, effective 1 September 2019 together with the funeral scheme contribution of R2.00 per week which has increased from R1.80 to R2.00 changed, bringing 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.

4. LEAVE PAY

One (1) day's pay shall be added to the leave pay for all employees in December 2019.

6. 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 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

7. SCHEDULE OF DEDUCTIONS

A revised schedule of weekly deductions and contributions is enclosed.

8. 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)

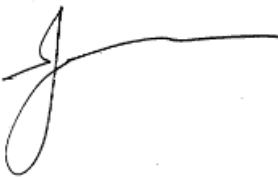
A separate circular is being distributed to all establishments in the non-metro areas, nationally.

9. 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 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