



# 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/04/19

Telephone Enquiries : Labour Affairs Department

30 August 2019

TO : ALL EMPLOYERS SUBJECT TO PARTS F & H OF THE COUNCIL'S NATIONAL MAIN COLLECTIVE AGREEMENT **(CLOTHING, GARMENT KNITTING, HOSIERY & MILLINERY SECTORS)** FOR THE "METRO" AREAS WITHIN THE CAPE 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 establishments situated within the Magisterial Districts of Bellville, Goodwood, Malmesbury, Mitchell's Plain (portion), Moorreesburg (portion), Simonstown, Somerset West, Strand, The Cape and Wynberg)**

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 Western Cape Metro Region (Parts F & H of the Council's National Main Collective Agreement, **excluding** the Magisterial Districts of George and Worcester) 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 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 **2018/2019** 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.

The "2001 Allowance" negotiated in 2001 for only the Clothing, Garment Knitting and Hosiery Sectors, must still be paid to employees and be reflected **separately** on each employee's wage slip. Refer to Bargaining Council Circular No BC/13/2001 dated 24 August 2001 for details of this allowance.

Employees who are not members of the Industry's Provident Fund do **not** receive the "2001 Allowance", but receive an additional 20 cents per week instead of the "2001 Allowance". Refer to the wage schedule.

Neither the "2001 Allowance" nor the 20c is taken into consideration when calculating hourly rates, shift allowance, sick pay, annual leave pay, annual bonus, Trade Union subscriptions, etc.

The "2001 Allowance" provision is not applicable to the Millinery Sector.

## 2. NEW CEILING WAGE RATE

The scope of this Regional Council's Agreements will be adjusted to raise the ceiling wage rate as follows:

Period commencing 1 September 2019		
ANNUAL	MONTHLY	WEEKLY
R135 930.00	R11, 327.50	R2, 614.00

## 3. CONTRIBUTIONS

### 3.1 Health Care Fund

- The **Employee** contribution rates to the Health Care Fund **increased** by the **average percentage calculation of the rand value increase i.e 6.97%**
  - From **R35.37 to R37.83** and **R40.80 to R43.64 per week - Group 1** contributor
  - From **R37.68 to R40.30** and **R45.43 to R48.59 per week - Group 2** contributor
  - From **R39.91 to R42.69** and **R48.35 to R51.71 to per week** for **Group 3** contributors who continue to be members of the fund and
  - From **R46.21 to R49.43** and **R54.66 to R58.46 per week - Group 4** contributors who are exempted into the Fund, respectively.
- It was also agreed that members of the Fund who earn above R10 00.00 p/m who are Exempted into the Fund will pay
  - From **R79.73 to R85.28** and **R99.22 to R106.13 per week - Group 5** contributors who continue to be members of the fund for and
  - From **R85.08 to R91.01** and **R104.60 to R111.89 per week – Group 6** contributors who are exempted into the Fund.
- The **Employer** contribution rates to the Health Care Fund **increase** by **6.97%** to:
  - **R12.69** per employee per week - **Group 1**,
  - **R15.14** per employee per week - **Group 2**,
  - **R16.52** per employee per week - **Group 3** members who continue to be members of the fund and
  - **R28.20** per employee per week - **Group 4** members who are exempted into the Fund.
  - Further that the Employer contribution for member who earn above R10 000.00p/m who are Exempted into the Fund will pay:

- **R28.20** per employee per week - **Group 5** contributors who continue to be members of the Fund and
- **R28.20** per employee per week - **Group 6** members who are exempted into the Fund.

The **Employer and Employee new** contribution rates to the Health Care Fund are detailed in the deduction schedule which follows as a separate notice to employers.

### 3.2 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 (exclusive of the "2001 Allowance").

The **maximum** Provident Fund contribution rate payable by **employers** will be **R176.44** per week or **R764.57** per month.

#### Employee Contribution Rate:

Employees' contribution rate to the Provident Fund **remains unaltered at 6.03%**, which rate is based on employees' actual basic wage (exclusive of the "2001 Allowance").

The **maximum** deduction for Provident Fund from the earnings of **employees** will be **R157.62** per week or **R683.01.28** per month.

### 3.3 Bargaining Council Levy

The Bargaining Council Levy payable by the employer **remains unaltered at 0.32%**, calculated on each employee's wage rate, up to a maximum of **R4.89 per week**.

The percentage Bargaining Council Levy payable by the employee **remains unchanged 0.22%**, calculated on each employee's wage rate, up to a maximum of **R3.05 per week**.

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

In addition to Employer Health Care Fund contributions recorded in 3.1 above, the following levies and contributions payable by the Employer has been increased by the agreed **Total Labour Cost increase of 7.5%** :

Category	Old Rate (p.w. per employee) 2018/19	New Rate (p.w. per employee) 2018/19
Industry Protection Fund	<b>29c</b>	<b>31c</b>
SACTWU Capacity Building Fund	<b>52c</b>	<b>55c</b>
SACTWU Worker Health Programme	<b>66c</b>	<b>70c</b>
SACTWU Bursary Fund	<b>44c</b>	<b>47c</b>

## 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 **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.

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 7.5%. The new levy for employers who employ 40 or less employees is **R187.27** per month and it is **R3.85** per employee per month for employers who employ more than 40 employees.

6. **LEAVE PAY**

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

7. **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.

8. **SCHEDULE OF DEDUCTIONS**

A revised schedule of weekly deductions and contributions is enclosed.

9. **NON-METRO AND COUNTRY AREAS**

A separate circular is being distributed to all establishments in the non-metro and country 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 **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**

