



NATIONAL BARGAINING COUNCIL FOR THE CLOTHING MANUFACTURING INDUSTRY

NORTHERN CHAMBER

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Telephone Enquiries: Labour Affairs Department

29 August 2023

TO: ALL EMPLOYERS SUBJECT TO PART B OF THE COUNCIL'S NATIONAL MAIN COLLECTIVE AGREEMENT (**FREE STATE & NORTHERN CAPE REGION**) WITHIN THE "METRO" AREAS ONLY OF THE NORTHERN 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 Clothing establishments situated within the Magisterial Districts of Bloemfontein, Frankfort, Kimberley, Kroonstad, Parys and Vredefort)

The Parties to the Council have concluded a Party-to-Party Substantive Agreement for the period 1 September 2022 until 31 August 2024. 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 Main Agreement as amended by this year's round of negotiations shall, subject to Ministerial approval, remain gazetted and extended to non-parties for a further period of 6 years with effect from 1 September 2022.

1. **INCREASE IN TOTAL LABOUR COST: METRO**

The current prescribed rates for all job categories in the areas referred to above shall remain in effect from 1 September 2023 until 31 August 2024.

Effective 1 September 2023 the total labour cost in these areas shall be increased by 2022/2023-rand value.

Details of the negotiated settlement in respect of the Free State/Northern Cape Metro Region (Part B of the Council's National Main Collective Agreement) are set out below.

The new wage schedules incorporating the new wage rates after the 2023/2024 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 **new wage rates** applicable to the new employees on the Incentivised Wage Scheme which became effective from 1 September 2012.

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. The onus is on the employer to ensure that they are not in contravention of the NMW (National Minimum Wage).

Please Note: The wage rates in the magisterial districts of Frankfurt, Parys and Vredefort shall be adjusted upwards by the rand amount applicable in the magisterial districts of Bloemfontein, Kimberley and Kroonstad area.

2. CONTRIBUTIONS

2.1 Medical Benefit Society

The employee contribution rate to the Medical Benefit Society remains unaltered at R7.00 per week, whilst the employer contribution rate increases from **R29.17 to R31.08** per week:

Employee: R7.00
Employer: R31.08

2.2 Provident Fund

The employer's contribution rate to the Provident Fund **remains unaltered at 7%** and employee contribution rate **remains unaltered at 5.75%**.

Please note that the Provident Fund contributions are payable for the full 52 weeks of the year.

2.3 Bargaining Council Levy

The Bargaining Council levy payable by the employee shall be **R3.74** per week deducted from each employee's wage and the Bargaining Council Levy payable by the employer shall be **R4.03**.

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 **6.54%**:

Category	Old Rate (p.w. per employee) 2022/23	New Rate (p.w. per employee) 2023/24
Industry Protection Fund	24c	26c
SACTWU Worker Health Programme	82c	87c
SACTWU Bursary Fund	55c	59c

3. 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 **R15.85** per week and a *new maximum* of **R26.55** per week, effective 1 September 2022 together with the funeral scheme contribution of **R3.00** per week, bringing the *total new minimum* to **R15.85** per week (i.e., the **R12.85 plus the R3.00**) and the *total new maximum* to **R26.55** per week (i.e., the **R23.55 plus the R3.00**). 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 **R12.85** per week and the maximum of **R23.55** 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. EMPLOYER AGENCY SHOP FEE

The Employer Agency Shop Fee is payable by employers who are not members of the Employers' Association and remains unaltered for employers who employ 60 or less employees is **R250.00** per month and it is **R4.25** per employee per month for employers who employ more than 61 and more employees.

5. SHORT TIME PROVISION

Prior to the introduction of short-time, consultation with the Trade Union for the following regions shall be encouraged:

- PART B - Free State / Northern Cape Region
- PART C - Kwazulu-Natal Region
- PART D - Northern Region (Clothing)
- PART E - Northern Region (Knitting)
- PART I - Non-Metro Region

The provision for short time, as it currently appears in the Main Agreement for the Parts not listed above, remains unaltered.

6. 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.

7. SCHEDULE OF DEDUCTIONS

A revised schedule of weekly deductions and contributions accompanies this circular

8. **NON-METRO AREAS** (for the purposes of this circular, means all areas of the old Province of the Transvaal not covered by Parts D (Clothing) and E (Knitting) of the Council's National Main Collective Agreement for the Northern Region)

A separate circular was 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 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 011 402-2737.

Yours faithfully



CHANTAL NAIDOO
GENERAL SECRETARY