



INCORPORATION NUMBER LR2/6/6/128

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TO ALL EMPLOYERS AND EMPLOYEES IN THE ELECTRICAL CONTRACTING INDUSTRY (CAPE)

Circular: 13 April 2017

Dear Sir/ Madam

MAIN AGREEMENT PUBLICATION

Please be advised that the Council has received confirmation that its main collective agreement has been published by the Minister of Labour.

This agreement is binding on all employers and employees who are members of the employers' organisation and trade union respectively; and in terms of Section 32(2) of the Labour Relations Act, 1995, the Minister extended the agreement to be binding on all other employers and employees engaged in the electrical industry.

The Minister signed that the date of operation of the agreement is effective from the 24 March 2017 which was the also the date of publication. The Agreement will be in operation for a period of five (5) years, starting on the date of publication until 31st January 2022.

However, the Council has resolved that all Council deductions and contributions relating to the new wage rates will be billed with effect from **01 May 2017**. Those employers who have already granted the wage increase should continue to contribute accordingly.

Importantly, one of the key provisions in the published main agreement, is that **if publication occurs after 01 February 2017**, any employer who has not granted the applicable wage increase on the 01 February 2017, must grant an additional increment of one twelfth (1/12) of the applicable increase **for each month** the increase was not granted: Provided the maximum number of months for the granting of such **additional** increment shall not exceed **three months**. Therefore if you grant the wage increase from the 01 May 2017, the additional increment of 1/12 for 3 months will apply. Please contact your nearest Council office should you have any queries in this regard.

2017 WAGE INCREASES

Please be reminded that that the wage increases for the period **01 February 2017 to 31 January 2018** have been increased in terms of the July 2016 CPI as follows:

The Consumer Price Index (CPI) annual inflation rate was **6% for July 2016**.

- All employees earning the **prescribed minimum wages** shall receive an increase equal to the previous year's July CPI + 2%; i.e. Minimum of **8%** (6 % (CPI) + 2%).
- All other the employees earning **in excess of the prescribed minimum wages** shall receive an increase equal to the previous year's July CPI + 1% i.e. Minimum of **7%**.

The new **wage schedules** for each area have been distributed to firms. However, if you have not received one please request same from your nearest Regional Office of the Council.

ALLOWANCES INCREASES

Reimbursive Transport Allowance

Employees who make use of their own private vehicles for business use as referred to in Clause 1(1) (b) of Part 11 of the Council's agreement, shall be reimbursed at a rate of not less than R3.00 per kilometre.

Subsistence Allowance

The subsistence allowance has increased to **R120.28 per night**. This increase is equal to the prescribed minimum percentage wage increase of 8%.

Stand – by allowance

The stand by allowance has increased to **R78.86 per shift**. This increase is equal to the prescribed minimum percentage wage increase of 8%.

NEW NATIONAL SICK BENEFIT FUND (SBF) – (EFFECTIVE FROM 01 MAY 2017)

The Council has established a National Sick Benefit Fund which will provide benefits to both the employer and employee. The main object of the Fund is to compensate members for loss of earnings due to unemployment caused by illness and injury. It should not be construed that this benefit provides automatic sick leave entitlement to an employee of up to 130 days per annual leave cycle.

The Fund will commence its operation with effect from the 01 May 2017 and will be legally binding on all employers and scheduled employees from this date. All firms that were participating in their respective Regional Sick Benefit Funds will automatically transfer to the new fund upon its inception.

For those employers and employees who did not participate on the previous Regional Sick Benefit Funds of the Council, please be advised that payments in respect of Sick Leave are now in terms of the Council SBF rules. This Fund replaces the Basic Conditions of Employment Act sick leave payment provisions.

The new SBF rules have been incorporated into the main collective agreement which *inter alia* detail the administration of claims and exclusions for payment.

A summary of the benefits, contributions and payment procedures are provided below:

Please contact your Regional Council office for claim forms and more information that you may require.

SBF CONTRIBUTIONS

The total contribution payable weekly is **0.6%** of the **actual wage** of the employee. The **employer** shall contribute 0.3% to the Fund weekly and the **employee** shall contribute 0.3% to the Fund weekly. The full weekly contribution is payable irrespective of the number of days worked, including periods during which an employee is on annual leave.

The total sum of **0.6%** shall be paid to the Council by not later than the 15th day of each month in respect of the preceding month's contributions.

SBF BENEFITS

Every member in respect of whom contributions have been made in terms of the Rules of the Fund shall be eligible for the following benefits set out in the table below in respect of each working day, excluding public holidays, that he is absent (owing to illness or injury) in an **annual leave cycle of 365 calendar days**: (Each new SBF cycle commences on each employee's employment start date anniversary).

Category of employee	Working days absent p.a.	Benefit amount
All categories as specified in the Main Collective Agreement	1 st – 10 th	100% of actual earnings
All categories as specified in the Main Collective Agreement	11 th – 30 th	60% of actual earnings
All categories as specified in the Main Collective Agreement	31 st – 130 th	33% of actual wages
Non-Scheduled employees	Same as above	Same percentages as above BUT up to maximum earnings of R30 000.00 per month.
Additional Benefits: Pension\Provident Fund waiver of premiums from the 11 th day onwards in an employee's annual leave pay cycle in terms of which the SBF shall pay both the employee and the employer's contributions towards the employee's pension/provident as long as the employee is unfit to return to work and remains a member of fund.		

PAYMENT PROCEDURES:

- (1) In respect of the first 10 qualifying working days per annum, that the employee is absent, the employer shall pay 100% of the employee's normal wage to the employee less statutory deductions. (i.e. Pension / Provident,

ECA Levies, SBF, Council Levies and tax) The employer shall claim the wages back from the Council by completing the necessary prescribed claim form, by attaching the relevant documentation and proof of payment to the employee. Both the employer and employee should complete the claim form.

- (2) for the subsequent 11 –30 qualifying days per annum, 60% of the normal wage shall be paid directly to the employee by the Fund after the necessary claim form and relevant documentation has been completed by both the employer and employee.
- (3) for the subsequent 31 –130 qualifying days per annum, 33% of the normal wage is paid directly to the employee by the Fund after the necessary claim form and relevant documentation has been completed by both the employer and employee.
- (4) Notwithstanding (2) and (3) above, nothing precludes an employer from paying the employee the applicable percentage wage and claiming such from the Fund, provided that satisfactory proof is submitted to the Fund.

All claims should be submitted to your respective Regional Office of the Council.

However, claims will be paid from a central point **once a month** i.e. from the National office of the Council in Johannesburg There will not be any waiting period imposed i.e. firms/employees are eligible to submit valid claims from day 1 of inception of the Fund.

SHOP FLOOR REPRESENTATIVES

The new agreement provides that in instances where an employer employs more than five (5) employees but less than ten (10), then such employer shall recognise one (1) elected shop floor representative, provided that the majority of the employees at the workplace belong to the party trade union. Such shop floor representative shall not be eligible to be nominated to serve as a delegate to the NCBEI and shall not attract any of the rights enjoyed by a trade union representative in terms of the LRA or the Collective Agreement.

ANNUAL LEAVE AND LEAVE BONUS

In terms of the previous Agreement, when an employee was off sick, a maximum of forty-three (43) days counted towards his/her annual leave and also the leave bonus calculation. The new Agreement has reduced the provision to eighteen (18) days.

FAMILY RESPONSIBILITY LEAVE/PATERNITY LEAVE

The Family Responsibility Leave provisions have now been increased to five (5) days. Two (2) of these five (5) days may only be used in the case of the birth of an employee's child.

OTHER MAIN COLLECTIVE AGREEMENT AMENDMENTS

There are a number of other amendments to the Main Collective Agreement which were published. To enhance your knowledge and to facilitate compliance please request a copy of the amended Main Collective Agreement from the nearest Council office or visit the Council's website at www.nbcei.co.za.

A Council agent will be able to assist you with any queries in this regard.

FOR AND ON BEHALF OF THE COUNCIL

Kind Regards



MR D VAN DEVENTER
NATIONAL DELEGATE



MR S KHOLA
NATIONAL DELEGATE