

**N.B.C.E.I**  
National Bargaining Council For The  
Electrical Industry Of South Africa

9<sup>th</sup> Floor  
The Liberty  
17 Wolmarans Street  
Braamfontein  
Johannesburg  
2001

Tel : 011 339 2312  
Fax : 011 339 7112

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## **IMPORTANT NOTICE!**

### **TO ALL EMPLOYERS AND EMPLOYEES IN THE ELECTRICAL CONTRACTING INDUSTRY**

Please take note of the important news below on the Main Agreement and wage increase amendments publication.

#### **PUBLICATION OF THE AMENDMENTS TO THE MAIN COLLECTIVE AGREEMENT**

Please be informed that the Council has been advised in writing by the Department of Labour that the new Agreement which includes the wage increases has been signed by the Minister of Labour. **This agreement was published on Friday, the 14 March 2014, and will be effective from Monday, the 24 March 2014.**

The 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 has extended it to be binding on all other employers and employees engaged in the Electrical Industry.

You can download a complete copy of the Collective Agreement on our website [www.nbcei.co.za](http://www.nbcei.co.za)

#### **Some important amendments to the Main Collective Agreement are, *inter alia*:**

##### **1) NEW WAGE RATES.**

The parties to the Council have agreed that the wages for 2014 be increased by **8.8%** for all categories of employees earning the prescribed minimum wage rates and a **7%** increase on the actual wages for all scheduled employees **earning in excess** of the prescribed minimum rates. The new wage increases were intended to be effective from 01 February 2014. The delayed publication of the Agreement has no impact on the rand value of the increase as the Agreement provides as follows:

**"...should the publication of this Collective Agreement be delayed for any reason, any employers who have not granted the increase before the coming into operation of the Agreement, (i.e. Who did not grant increases from 01 February 2014) shall grant an additional increment of one twelfth 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".**

The following additional percentage must be added to the **prescribed minimum** wage rates:

- (a) Employers who granted the increase in **January & February 2014** are not required to make any adjustment as prescribed in Clause 4 and Clause 5(1) of the Agreement.
- (b) Employers who granted the increase in March 2014 are required to increase the wage by an additional 0.73% :  $(8.8\% + 0.73\% = 9.53\%$  per month). This will apply for the period up to 31<sup>st</sup> January 2015.
- (c) Employers who granted the increase in April 2014 are required to increase the wage by an additional 1.46%:  $(8.8\% + 1.46\% = 10.26\%$  per month). This will apply for the period up to 31<sup>st</sup> January 2015.

**NB:** The 01 February 2015 wage rate increase calculations will be based **only** on the **8.8% minimum prescribed increase** as published on the 24 March 2014.

**N.B.C.E.I.S.A** recommends that employers that have **not granted** the increase apply **option c** as above.

For employees earning above the minimum wage, the following additional percentage must be added to the wage rates:

- d) Employers who granted the increase in **January & February 2014** are not required to make any adjustment as prescribed in Clause 4 and Clause 5(1) of the Agreement
- e) Employers who granted the increase in March 2014 are required to increase the wage by an additional 0.58%: (7% + 0.58% = 7.58% per month). This will apply for the period up to 31<sup>st</sup> January 2015.
- f) Employers who granted the increase in April 2014 are required to increase the wage by an additional 1.16%: (7% + 1.16% = 8.16% per month). This will apply for the period up to 31<sup>st</sup> January 2015.

**NB:** The 01 February 2015 wage rate increase calculations will be based **only** on the 7% **prescribed increase** as published on the 24 March 2014 for those employees earning in excess of the prescribed minimum wages.

Please note that we have attached the wage schedule applicable to your area.

## ii) **CLAUSE 1(1) OF PART II – ALLOWANCES.**

The subsistence allowance referred to in sub clause (1) (e) (ii), will be increased to R97.92 per night from the date of coming into operation of the amending agreement.

## iii) **CLAUSE 52: RESOLUTION OF DISPUTES**

A new paragraph has been added which reads as follows:

"In the event that the Council has to instruct a debt collecting agency or a legal practitioner to collect and/or to litigate in respect of any amount due to it by the defaulter in terms of any arbitration award, the defaulter will also be liable in terms of this clause for payment of any commission and any other litigation costs incurred in the enforcement and collection thereof."

## iv) **NEW CLAUSE 2A: COLLECTIVE BARGAINING LEVY**

A collective bargaining levy shall be deducted by employers from the wages of all employees who are **not** members of a trade union which is a party to the National Bargaining Council for the Electrical Industry of South Africa.

In addition, every employer who is **not** a member of an employer's organisation party to the National Bargaining Council for the Electrical Industry of South Africa ( a non –party employer) who is engaged in the Industry as defined, shall pay a monthly collective bargaining levy to the Council.

The collective bargaining levy shall be paid to the Council monthly in the amounts respectively specified below:

- a) All scheduled **employees** who are **not** members of party trade union(s) shall pay a levy of R7.00 per week from the date of coming into operation of the agreement to 31 January 2017.
- b) All **employers** who are **not** members of the party employer(s) organisation(s) shall pay an amount of R10.00 per scheduled employee per week from the date of coming into operation of the agreement to 31 January 2017.

The purpose of the Collective Bargaining Levy is to subsidise the costs occasioned by collective bargaining on the parties to the Council including but not limited to consulting non-parties and mandate seeking, feedback to such parties, facilitation of collective bargaining and related activities to increase the representative capacity of bargaining units.

## v) **NEW CLAUSE 12A: LAY – OFF**

A new lay off clause has been introduced which draws a distinction between short time and a lay off. The full lay off clause wording containing the procedures and limitations etc. will be available on the date of coming into operation of the agreement, but the main difference between the two is outlined below:

"**Lay-off**" means the temporary suspension, without pay, of employment for a **minimum of five full consecutive shifts** due to a reduction in the volume of work in an establishment or section of an establishment or due to any other economic reason or any other contingency or circumstances beyond the control of the employer."

**“Short time”** means the implementation of reduced working time i.e. lesser number of ordinary hours per day and/or lesser number of days per week, owing to a shortage of work and /or materials and any other justifiable contingencies and/or unforeseen contingencies and/or circumstances beyond the control of the employer.”

vi) **CLAUSE 9: OVERTIME AND PAYMENT FOR WORK ON SUNDAYS AND PUBLIC HOLIDAYS**

In sub-clause (2) new paragraph (e) has been inserted:

- e) “Notwithstanding the provisions of sub-clause (2) (a) to (d) of this clause an employee earning in excess of the earnings threshold of R193 805.00 as published in terms of Government Gazette No. 36620, Government Notice No. 456 dated 1 July 2013 and as amended from time to time shall not be entitled to be paid overtime unless mutually agreed to with his employer.”

**OTHER IMPORTANT NEWS:**

**NON PAYMENT OF PENSION/PROVIDENT FUND CONTRIBUTIONS NOW A CRIMINAL OFFENCE**

The Financial Services Laws General Amendment Act, 2013, signed into law on 16 January 2014, amends Section 37 of the Pensions Funds Act. From the 28<sup>th</sup> of February 2014, it will make a failure to pay retirement fund contributions a criminal offence, liable on conviction to a **fine not exceeding R10 million and or to imprisonment of up to 10 years.**

In addition to criminalising the non-payment of contributions, the revised Section 13A (8) seeks to attach personal liability to the person responsible for not paying the contributions.

The revised Act stipulates that the following persons shall be personally liable for the payments of contributions


- a) If employer is a company, then every director who is regularly involved in the management of the company's overall financial affairs.
- b) If employer is a closed corporation, then every member who controls or is regularly involved in the management of the close corporation's overall financial affairs.
- c) In respect of any other employer of any legal status or description, every person in accordance with whose directions or instructions the governing body or structure of the employer acts or who controls or who is regularly involved in the management of the employer's overall financial affairs.
- d) Funds will have to request the participating employer to identify those who are personally responsible. Should the employer fail to do so, all the directors/members/sole proprietor/partners will be personally liable.

**Therefore please ensure that all contributions are paid timeously to avoid potential criminal sanction.**

Please feel free to contact the Council's office in your region, should you require any clarity or further information with regards to any of the above matters.

**FOR AND ON BEHALF OF THE COUNCIL**

Yours faithfully



**Deon Van Deventer**  
Acting General Secretary



**Mark Mfikoe**  
Acting General Secretary