



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

INCORPORATION NUMBER LR2/6/6/128

Tel : 011 339 2312  
Fax : 011 339 7112

P.O. Box 21402  
Johannesburg  
2017

122 Queen Street  
Kensington  
JOHANNESBURG  
2094

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

Circular: 15 May 2023

Dear Sir/ Madam

### **2023 MAIN AGREEMENT PUBLICATION, REALIGNMENT OF WAGE AREAS (WAGE TIERS), WAGE INCREASES AND WAGE DEDUCTIONS**

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

Please be advised that the NBCEI has been informed that the Minister of Employment and Labour, TW Nxesi has signed off on the Main Collective Agreement, Pension and Provident Fund Agreement and the CBL Agreement. It will be published in the Government Gazette on the 19<sup>th</sup> May 2023 and come into operation on the 29<sup>th</sup> May 2023.

Note, due to the publication of the new main agreement, the current main agreement will expire at midnight on the 28<sup>th</sup> May 2023.

Due to the complexity and changes in the new Main Agreement the NBCEI will conduct online training from the 15<sup>th</sup> to 19<sup>th</sup> May 2023. Please check your emails for an invite to the training as the training will take place on different days for the different regions of the country.

Attached please find the new wage and deduction schedules for your area. If you have any queries, please do not hesitate to contact your NBCEI Area Agent.

#### **REALIGNMENT OF WAGE AREAS**

You are reminded that there are no longer 15 wage areas but that it has been reduced to 3 wage tiers nationally, based on **Municipalities, District Municipalities, Local Municipalities, and towns falling within the scope of these municipalities.**

“Tier” means:

<b>Tier 1</b>	<b>Tier 2</b>	<b>Tier 3</b>
Areas that have the highest paying minimum wages for every category of employment.	Minimum wages are based on 90% of the published wage rates for Tier 1.	Minimum wages are based on 80 % of the published wage rates for Tier 1.

The areas falling under each Tier are attached to this circular and available on our website [www.nbcei.co.za](http://www.nbcei.co.za) .

#### **CATCH-UP ARRANGEMENT**

Different areas would need to adjust their minimum wages at different percentage rates over time to achieve the new prescribed minimum wages.

In order to move towards the new minimum wages, the wages in any area that is required to be enhanced to reach the target minimum wage, will be adjusted by a **maximum** of a further 1.75% in any given year of the Collective Agreement until the target minimum wage in each tier has been achieved.

**It is further noted that any employee who, at the time of publication of this Agreement, is already on a minimum rate (applicable to their area), the rate of increase will be that applicable to the current minimum wage but only for the first year of the Agreement.**

**No wage may be decreased.**

## WAGE INCREASES

The wage increases for 2023, as agreed by the parties, will be effective as from 01 March 2023 and will be increased in terms of the August 2022 CPI as follows:

- All employees earning the prescribed minimum wages shall receive an increase no less than 8.8% (7.8%(CPI) + 1%).
- All other the employees earning in excess of the prescribed minimum wages shall receive an increase OF no less than 7.8%.

Due to the late publication of the main agreement, for those employers that have not implemented any increases for 2023. The applicable increase is the following.

### **Scenario 1**

**The agreed upon increase for employees earning actual wages above the minimum prescribed wage** is 7.8% (CPI of August 2022).

To compensate for the late publication of the main agreement, employee will be entitled to an additional 3.46%. (The main agreement was published 4-months late and therefore employees are entitled for each month that it was not published late, to an additional 0.8666% increase).

**The agreed upon increase for employees that earn the prescribed minimum wage** is 8.8% (August 2022 CPI was 7.8% + 1%).

To compensate for the late publication of the main agreement, employee will be entitled to an additional 3.91%. (The main agreement was published 4-months late and therefore employees are entitled for each month that it was not published late, to an additional 0.9777% increase).

### **Scenario 2**

To avoid any payroll system calculation issues, Council recommends that the employer calculate the short fall for the 4-months from 1 February 2023 to end of May 2023 and either pay it as a lumpsum now or spread it over the remaining 9-months to the end of February 2024. If this is applied, then the additional 3.91% or 3.46% as applicable does not have to be implemented with the next pay run.

***If you are not sure how to calculate the 4-months short fall, please contact your local agent. You are also invited to attend the industry training, where the calculation will be explained.***

## OFFSET

The guaranteed minimum wage increases referred to above, shall be subject to the provision that any increases granted on or after 1 January 2023 may be offset by the employer when calculating the guaranteed minimum increase.

## MONTHLY PAID STAFF

To assist payroll processing for monthly paid employees, wage increases for monthly paid employees may be implemented from 1<sup>st</sup> June 2023 rather than 29<sup>th</sup> May 2023. For clarity, as June has 5 Fridays, 5 weeks Council contributions and deductions at the new rates will be processed in June.

## DEDUCTIONS

With the publication of the new agreement, all Council and benefit fund contributions **will be** calculated based on the **ACTUAL wage (where applicable) and normal hours** worked as declared by the employer.

It is therefore important for employers to declare as soon as possible **all employees'** actual salaries and hours worked in terms of the employee's employment contract, to Council. This will enable Council to issue the correct levy (invoice) every month.

Should an employer fail to declare actual salaries and work hours, the Council **will** bill such an employer on the assumption that an employee earns the prescribed minimum wage and a **44-hour working week**.

If Council establishes that an employee earns above the prescribed minimum rate of pay and has not declared it to Council, an assessment will be compiled by Council and the employer will be liable for any identified underpayments.

To assist in calculating the deductions, Council will make available a "calculator" on the Council website ([www.nbcei.co.za](http://www.nbcei.co.za)) to assist the employer in determining what deductions should be made for each fund for the employees' wage and or salary.

<b>ALLOWANCES INCREASES (ONLY EFFECTIVE FROM THE DATE OF PUBLICATION)</b>
---

**Transport Allowance**

The transport allowance referred to in Part 2 of the Council's agreement will from the date of publication of the agreement (should be from 01 March 2023 or date of publication if later than 01 March 2023) be increased to R4.20 per kilometre.

**Subsistence Allowance**

The subsistence allowance referred to in Part 2 of the agreement (should be from 01 March 2023 or date of publication if later than 01 March 2023) increase to **R168.42 per day**.

**Stand by allowance**

The stand-by allowance referred to in Part 2 of the agreement (should be from 01 March 2023 or date of publication if later than 01 March 2023) increase to **R110.43 per shift**.

**FOR AND ON BEHALF OF THE COUNCIL**

Yours faithfully



**Mr D Van Deventer**  
**General Secretary**



**Mr M Mfikoe**  
**General Secretary**