

No. R. 596

3 August 2012

LABOUR RELATIONS ACT, 1995**METAL AND ENGINEERING INDUSTRIES BARGAINING COUNCIL: EXTENSION
TO NON-PARTIES OF THE PENSION FUND COLLECTIVE RE-ENACTING AND
AMENDING AGREEMENT**

I, MILDRED NELISIWE OLIPHANT, Minister of Labour, hereby in terms of section 32(2) of the Labour Relations Act, 1995, declare that the collective agreement which appears in the Schedule hereto, which was concluded in the Metal and Engineering Industries Bargaining Council, and is binding in terms of section 31 of the Labour Relations Act, 1995, on the parties which concluded the agreement, shall be binding on the other employers and employees in that Industry with effect from12 August 2012..... and for the period ending 30 April 2016.

**MN OLIPHANT
MINISTER OF LABOUR**

SCHEDULE**METAL AND ENGINEERING INDUSTRIES BARGAINING COUNCIL
AMENDING AND RE-ENACTING COLLECTIVE ENGINEERING INDUSTRIES' PENSION
FUND AGREEMENT**

in accordance with the provisions of the Labour Relations Act, 1995, made and entered into
by and between the

Association of Electric Cable Manufacturers of South Africa

Cape Engineers' and Founders' Association

Constructional Engineering Association (South Africa)

Covered Conductor Manufacturers' Association

Electrical Engineering and Allied Industries' Association

Electronics and Telecommunications Industries' Association

Gate and Fence Association

Hand Tool Manufacturers' Association (HATMA)

KwaZulu Natal Engineering Industries' Association

Iron and Steel Producers' Association of South Africa

Lift Engineering Association of South Africa

Light Engineering Industries' Association of South Africa

National Employers Association of S.A.

Non-Ferrous Metal Industries' Association of South Africa

Port Elizabeth Engineers' Association

Pressure Vessel Manufacturers' Association of South Africa

Refrigeration and Air-Conditioning Manufacturers' and Suppliers' Association

Sheetmetal Industries' Association of South Africa

S.A. Electro-Plating Industries' Association

S.A. Engineers' and Founders' Association

S.A. Fasteners Manufacturers' Association (SAFMA)

S.A. Refrigeration and Air-Conditioning Contractors' Association (SARACCA)

S.A. Pump Manufacturers' Association

S.A. Reinforced Concrete Engineers' Association (SARCEA)

S.A. Valve and Actuator Manufacturers' Association (SAVAMA)

(hereinafter referred to as the "employers" or the "employers' organisations"), of the one part,
and the -

Metal and Electrical Workers' Union of South Africa

Solidarity/MWU – Solidariteit/MWU

UASA (the Union)

National Union of Metalworkers' of South Africa (NUMSA)

S.A. Equity Workers' Association

(hereinafter referred to as the "employees" or the "trade unions"), of the other part, being the
parties to the Metal and Engineering Industries Bargaining Council.

1. SCOPE OF APPLICATION OF AGREEMENT

- (1) The terms of this Agreement shall apply to and be observed -
 - (a) throughout the Republic of South Africa; and
 - (b) by all employers and employees in the Iron, Steel, Engineering and Metallurgical Industries who are members of the employers' organisations and the trade unions, respectively.
- (2) The terms of this Agreement shall not apply to an employer and his employee who are governed by and fall within the scope of application of the Metal Industries Provident Fund Agreement.
- (3) The terms of this Agreement shall not apply to any employee who on 29 July 1957 was or thereafter became a participant in and member of any fund providing provident and/or pension benefits, which was in existence on the said date (and in which the employer of that employee was on the said date a participant) or to the employer of that employee, during such period only as such fund continues to operate and both employer and employee are participants therein: Provided that a fund which provides solely for payment of benefits on death shall not be deemed to be a pension or provident fund for the purposes of this Agreement.
- (4) Where employers and employees participate in domestic schemes providing provident and/or pension benefits as referred to in subsection (3) above, which at the date of coming into operation of this Agreement do not provide for percentage contributions which, in total, are at least as much as the percentages, in total, specified in section 5 of this Agreement, a period of six weeks shall be allowed to enable compliance with this requirement, subject to any such amendment being retroactive to the date of coming into operation of this Agreement.

- (5) Clauses 1(1) (b) 2 and 3 of this Agreement shall not apply to employers and employees who are not members of the employers' organisations and trade unions, respectively.

2. SPECIAL PROVISIONS

The provisions contained in clause 7 of the Agreement published under Government Notice No. R. 654 of 8 May 1998, as extended, renewed, re-enacted and amended by Government Notices Nos. R.116 of 11 February 2000, R.362 of 26 April 2001, R.629 of 13 July 2001, R.528 of 3 May 2002, R.171 of 7 February 2003, R.1022 of 21 October 2005, R.409 of 28 April 2006, R.533 of 18 June 2010 and R.408 of 13 May 2011 (hereinafter referred to as the "Former Agreement") shall apply to employers and employees.

3. GENERAL PROVISIONS

The provisions contained in clauses 3 to 6 and 8 to 12 of the Former Agreement shall apply to employers and employees.

4. PERIOD OF OPERATION OF AGREEMENT

This Agreement shall come into operation on such date as may be fixed by the Minister of Labour in terms of section 32 of the Labour Relations Act, 1995, and shall remain in force until 30 April 2016.

5. CLAUSE 3: DEFINITIONS

Insert the following new definitions:

"Contribution Increase Program" means the employee and employer contributions payable from the "Implementation Date".

“Conversion Date” means the date on which the Fund converts from defined benefit to defined contribution principles which is currently 1 April 2012.

“Implementation date” means the date mutually agreed to by the parties on which the Contribution Increase program shall commence.

“Surplus Agreement” means the Agreement approved by the Financial Services Board on 30 November 2011 to distribute surpluses in the Fund.

6. CLAUSE 3A: CONTINUATION OF THE FUND

Insert the following new sub-clause 3:

“(3) The Parties agree to ensure that the Surplus Agreement of the Fund is implemented in consultation with the Fund, and that the terms of this Agreement are consistent with the Surplus Agreement.”

7. CLAUSE 5: CONTRIBUTIONS

1. Substitute sub-clause (2) with the following:

“(2) Contributions in respect of the Engineering Industries Pension Fund and the Metal and Engineering Industries Permanent Disability Scheme (hereinafter referred to as the ‘Scheme’):

(a) The employer shall each week deduct from the earnings of each of his employees an amount equal to 6,6% of the pensionable remuneration of such employee until the Implementation Date of the Contribution Increase Program, whereafter contributions shall be deducted as follows:

Years from Implementation Date	Employee contribution
1 July 2012	6,70%
2013	6,80%
2014	6,90%
2015	7,00%
2016	7,10%
2017	7,20%
2018	7,30%
2019	7,40%
2020	7,50%
Thereafter	7,50%

- (b) Contributions calculated in accordance with the provisions of paragraph (a) may, at the discretion of the employer, be deducted from the earnings of any other employees who request in writing to become members of this Fund:
- Provided that the membership provisions under clause 4 shall *mutatis mutandis* apply to such employees.
- (c) The employer shall pay to the Fund an amount equal to the deductions made from each employee's earnings under paragraph 2(a) and (b), until the Implementation Date of the Contribution Increase Program, whereafter contributions shall be paid as follows:

Years from Implementation Date	Employer contribution
1 July 2012	6,70%
2013	6,80%
2014	6,90%
2015	7,00%
2016	7,10%
2017	7,20%
2018	7,30%
2019	7,40%
2020	7,50%
2021	7,60%
2022	7,70%
2023	7,90%
2024	8,10%
2025	8,30%
2026	8,50%
2027	8,70%

2028	8,90%
2029	9,10%
2030	9,30%
2031	9,50%
2032	9,70%
2033	9,90%
2034	10,10%
2035	10,30%
2036	10,50%
Thereafter	10,50%

- (d) The employee deductions and employer payments shall be made from the implementation date. During the contribution increase programme, the Fund will pay an additional amount from the surplus reserve to a total contribution of 18%. If the Fund is unable to pay the difference between 18% and the employee deductions and employer deductions at any time during the Contribution Increase Program, the employee deductions and employer payments will be set at the level reached at the last anniversary of increases, in terms of the Contribution Increase Program.
- (e) The employer contribution which shall be apportioned as follows:
- (i) An amount in the sole discretion of the Board equal to a specified percentage of the pensionable remuneration (as set out in (a) above) of each of the employees concerned shall be paid to the Scheme; and
 - (ii) From the amounts in (a) above, the amount required to meet the cost of death benefits, disability benefits and such administration and other expenses as may be determined by the Board shall be applied for this purpose.
 - (iii) The balance shall be the employer's contribution to the Fund for retirement benefits."

2. Substitute the following for sub-clause (4)(b):

“(b) The employer uses the postal service, a courier service or any other means of delivery or transfer at the employer’s own risk. The relevant postal address is P O Box 61474, Marshalltown, 2017. A facility for direct bank-to-bank transfer of funds is also available. Enquiries may be directed to the Funds Contribution Manager at the above address or telephone (011) 870-2000.”

8. CLAUSE 8: EXEMPTIONS

Insert the following new sub-clause (1)(c):

“(c) An employer who has obtained an exemption from the Fund shall be required to apply in writing, should he wish to rejoin the Fund at a later stage.”

9. CLAUSE 9: RESOLUTION OF DISPUTES

Substitute the following for the existing clause:

“9. RESOLUTION OF DISPUTES

Any dispute about the interpretation, application or enforcement of this Agreement shall be referred to the Council and shall be dealt with in accordance with the provisions contained in the Metal and Engineering Industries Bargaining Council Dispute Resolution Agreement, published under Government Notice R.836 in Government Gazette 29122 dated 18 August 2006, as amended”.

10. CLAUSE 12: MEMBERS' BENEFITS

Substitute the entire clause with the following:

“12: MEMBERS' BENEFITS

Members will be entitled to retirement death, disability, resignation and retrenchment benefits in terms of the Rules of the Fund.

Enquiries should be directed to the offices of the Metal Industries Benefit Funds Administrators at telephone (011) 870-2000."

Thus signed at Johannesburg for and on behalf of the parties this 17 May 2012

L. Trentini
Member

V. Mabho
Member

N. Faasen
Operations Manager