

No. R. 793

5 October 2012

LABOUR RELATIONS ACT, 1995**BARGAINING COUNCIL FOR THE FURNITURE MANUFACTURING INDUSTRY,
KWAZULU NATAL: EXTENSION TO NON-PARTIES OF MAIN COLLECTIVE
AMENDING AGREEMENT FOR THE METRO AREAS**

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 Bargaining Council for the Furniture Manufacturing Industry, Kwazulu Natal 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 from**15 October 2012**.....and for the period ending 30 June 2015.

MN OLIPHANT
MINISTER OF LABOUR

SCHEDULE

BARGAINING COUNCIL FOR THE FURNITURE MANUFACTURING INDUSTRY, KWAZULU-NATAL

AMENDMENT OF MAIN COLLECTIVE AGREEMENT : METRO AREAS

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

KwaZulu-Natal Furniture Manufacturers' Association

(hereinafter referred to as the "employers" or the "employers
organisation") of the one part,

and the

**National Union of Furniture and
Allied Workers' of South Africa**

(hereinafter referred to as the "employees" or the "trade unions")
of the other part,

being the parties to the Bargaining Council for the Furniture
Manufacturing Industry, KwaZulu-Natal.

to amend the Main Collective Agreement published under Government
Notice R.224 dated 18 March 2011.

1. SCOPE OF APPLICATION

1. The terms of this Agreement shall be observed in the Furniture Manufacturing Industry, KwaZulu-Natal –
 - (a) by all employers who are members of the employers organisation and by all employees who are members of the trade union, and who are engaged and employed therein ;
 - (b) in Area A, which consists of the Magisterial Districts of Camperdown, Chatsworth, Durban, Inanda, Lower Tugela, Pietermaritzburg, Pinetown and Mount Currie.
2. Notwithstanding the provisions of sub-clause (1), the provisions of this Collective Agreement shall –
 - (a) only apply in respect of employees for whom minimum wages are prescribed in this Agreement ;
 - (b) apply to learners in so far as they are not inconsistent with the provisions of the Skills Development Act, 1998, or any contracts entered into or any conditions fixed thereunder ;
 - (c) not apply to professional, technical, administrative, sales and office staff : Provided that such employees are in receipt of regular remuneration in excess of the maximum rate prescribed in Schedule A of this Agreement, plus R35.00 ;
 - (d) not apply to managers, sub-managers, foremen and supervisory staff if such employees are in receipt of regular remuneration of not less than R98,301.31 per annum or, R115,644.72 per annum where the employer of such employee does not provide or maintain a registered retirement fund and a registered medical aid

fund. These limits shall be increased from year to year by the same percentages as the increases granted to employees earning the highest rate set out in Schedule A of this Agreement ;

- (e). not apply to non-parties in respect of clauses 1(1)(a) and 2.

- 3. Notwithstanding the provisions of sub-clauses (1) and (2), employers who carry on not more than one business within the scope of application of this Agreement and who employs less than five employees at all times in or in connection with such business, will be entitled to the following phasing-in concessions : Provided that their employees consent to it, in writing in the prescribed form :

PHASE ONE : First Two Years from Commencement

During this period, the employer will be exempt from Schedule A.

Any pro-rata holiday pay benefits accrued by employees during the first two years from the commencement, must be paid by the employer in terms of the Basic Conditions of Employment Act, 1997 as amended, when due.

PHASE TWO : Third Year from Commencement

During this period, employees must be remunerated at not less than 60% of the rate of pay as prescribed in Schedule A.

Any pro-rata holiday pay benefits accrued by employees during the third year of commencement, must be paid by the employer in terms of the Basic Conditions of Employment Act, 1997, when due.

PHASE THREE : Fourth Year from Commencement

During this period, employees must be remunerated at not less than 75% of the rate of pay as prescribed in Schedule A.

In addition, the following contributions shall come into effect :

- (a) Clause 13 - Holidays and Holiday Fund.

PHASE FOUR : Fifth Year from Commencement

In addition the following contributions shall come into effect :

- (a) Clause 13 - Holidays and Holiday Fund.
- (b) Provident Fund and Mortality Benefit contributions as prescribed in that Collective Agreement as amended and extended from time to time.

PHASE FIVE : From Sixth Year Onwards

All provisions of the Main Collective and Provident Fund and Mortality Benefit Association Collective Agreements as well as Schedule A, as amended and extended from time to time shall apply.

4. The provisions of Sub-Clause (3) above shall not apply where an employer has more than four employees in his employ at the date of coming into operation of this Agreement, and subsequently reduces this number of employees to fewer than five.
5. The terms of this Agreement shall not apply to non-parties in respect of clauses 1(1) (a) 2, 31, 36, 38 and 41.
6. Relocating Employers

- (1) In the event that an employer relocates his establishment from outside the Scope of Application of this Agreement, where re-location would result in this Agreement becoming of force and effect, the following concessions shall apply :

(a) Phase 1 (First year)

Applicable to all categories of employees as per Schedule A :

- (i) 50% of the prescribed minimum wage.
- (ii) 25% of leave pay contributions.
- (iii) 25% of bonus component
- (iv) 100% of the Council levies as prescribed.

(b) Phase 2 (Second year)

- (i) 75% of the prescribed minimum wage.
- (ii) 50% of leave pay contributions.
- (iii) 50% of bonus component.
- (iv) 50% of the prescribed Provident Fund and Mortality Benefit Association contributions.
- (iv) 100% of the Council levies as prescribed.

(c) Phase 3 (Third year)

- (i) 95% of the prescribed minimum wage.
- (ii) 75% of leave pay contributions
- (iii) 100% of bonus component.
- (iv) 75% of the Provident Fund and Mortality Benefit Association contributions.
- (v) 100% of the Council levies as prescribed.

(d) Phase 4 (fourth year onwards)

Full compliance with all the provisions of the Collective Agreements.

- (2) Under the circumstances, where the Agreement is extended to areas formally known as the Rural Areas, or Area B, the concessions as contained in sub-clause (1) above shall apply to all these employers and employees that will fall within the extended scope of this Agreement.

7. PHASING-IN PROVISION : NEW EMPLOYEES ONLY.

- (1) A two (2) year phasing-in provision for new employees only, shall apply as from 01 July 2012 for Party Shops and for Non-Party Shops, as from the date the Minister of Labour extended / amended this agreement as follows :

(a) **PROVIDENT FUND AND MORTALITY BENEFIT ASSOCIATION CONTRIBUTIONS :**

Employers and employees shall be exempted from paying contributions to the Provident Fund and Mortality Benefit Association for the first two years of employment.

(b) **LEAVE PAY :**

During the first two years of employment, employers shall pay their new employees engaged under the provisions of this clause sixteen (16) working days leave per annum at shutdown in December of each year.

(c) **BONUS :**

From the third year of employment onwards, the bonus portion shall be added as embedded in the formula of calculation under Clause 15 of the Main Collective Agreement. All provisions of Clause 15, shall apply in relation to payment of leave and bonus contributions towards the Secretary of the Council.

- (d) In the event that the Council implements a funeral scheme within the first two years of employment of new employees, the cost of such scheme shall be borne by the employer, provided that the amount payable to such scheme shall not exceed R8.00 per week.

2. PERIOD OF OPERATION OF AGREEMENT

This Agreement shall be binding on the Parties to this Agreement as from 01 July 2012 and shall come into operation in respect of non-parties on such date as the Minister of Labour extends the Agreement to non-parties and shall remain in force ending 30 June 2015.

(3) CLAUSE 9. SHORT TIME :

Substitute the existing sub-clause 2(a) for the following :

“2. One (1) hour notice to be given by the discretion of the employer when there is :-

- (a) A major power failure or water stoppage from outside the establishment causing cessation of work:”

(4) CLAUSE 10. WAGE INCREASES.

Substitute the existing clause 10 in its entirety for the following :

- "1. No employer shall pay and no employee shall accept wages lower than those prescribed in this Collective Agreement and its Schedules.
2. (a) Party Shops : A wage increase of 7.5% across the board on actual wages paid for all employees, effective from 01 July 2012 for the period ending June 2013.
- (b) Non-Party Shops : A wage increase of 7.5% across the board on actual wages paid for all employees effective from the date of coming into operation of this Collective Agreement, shall be binding on all employers and employees within the Industry for the period ending 30 June 2013.
3. (a) Party Shops : A wage increase of 7.5% across the board on actual wages paid for all employees, effective from 01 July 2013, for the period ending 30 June 2014.
- (b) Non-Parties ; A wage increase of 7.5% across the board on actual wages paid for all employees, effective from 01 July 2013 for the period ending 30 June 2014.

Despite the period of operation of this Collective Agreement, the provisions of this Clause and Schedule A in relation to the Parties, shall lapse on 30 June 2014 and may be subject to re-negotiations by the Parties at Bargaining Council level."

(5) CLAUSE 11. PAYMENT OF WAGES ;

Substitute the amount of "R50 per night" as it appears in the existing text of Sub-Clause 11 (8), for "R60 per night".

(6). CLAUSE 15. HOLIDAY FUND

Insert the following new sub-clause 14 and renumber the remainder of the sub-clauses accordingly :

“14. Employees who are absent on the first day after the payment of leave pay or bonuses in the month of December prior to the annual shut down, without a valid sick certificate, shall be paid his leave pay and / or bonus on the last day before going on annual leave from the following year onwards, provided that the employer forward a list of names and benefit numbers to the Secretary of the Council by no later than the month of August of each year.”

(7). CLAUSE 33. FAMILY RESPONSIBILITY LEAVE.

Add the following new sub-clause 2(a) and re-number the remainder of the clause accordingly

“(a) when the employees’ spouse is sick, provided that a medical practitioner confirms that the spouses’ illness necessitated accompaniment”.

Signed at Durban on this 30th day of May 2012

G. Bostock
Chairman

S. Govender
Vice-Chairman

G.J.P. Blignaut
Secretary of the Council