

No. R. 583

30 May 2008

LABOUR RELATIONS ACT, 1995**NATIONAL BARGAINING COUNCIL FOR THE CLOTHING
MANUFACTURING INDUSTRY: EXTENSION TO NON-PARTIES
OF NATIONAL MAIN COLLECTIVE RE-ENACTING AND AMENDING
AGREEMENT**

I, MEMBATHISI MPHUMZI SHEPHERD MDLADLANA, 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 National Bargaining Council for the Clothing Manufacturing Industry, 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 2 June 2008 and for the period ending 31 August 2012.

M M S MDLADLANA
MINISTER OF LABOUR

SCHEDULE

NATIONAL BARGAINING COUNCIL FOR THE CLOTHING MANUFACTURING INDUSTRY NATIONAL MAIN COLLECTIVE AGREEMENT

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

Cape Clothing Manufacturers' Association

Consolidated Association of Employers of Southern Africa Region

Eastern Province Clothing Manufacturers' Association

Free State and Northern Cape Clothing Manufacturers' Association

Natal Clothing Manufacturers' Association

Northern Decentralised Clothing Manufacturers' Association

Transvaal Clothing Manufacturers' Association

Lower South Coast Clothing Manufacturers' Association

Northern KwaZulu-Natal Clothing Manufacturers' Association

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

Southern African Clothing and Textile Workers' Union

(hereinafter referred to as the "employees" or the "trade union"), of the other
part, being the parties to the National Bargaining Council for the Clothing
Manufacturing Industry,

1. SCOPE OF APPLICATION

- (1) The terms of this Agreement shall be observed in the Clothing Manufacturing Industry in all areas of the Republic of South Africa as individually provided for in each of the following Parts:

Part A Provisions for the Eastern Cape Region

Part B Provisions for the Free State and Northern Cape Region

Part C Provisions for the KwaZulu-Natal Region
Part D Provisions for the Northern Region (Clothing)
Part E Provisions for the Northern Region (Knitting)
Part F Provisions for the Western Cape Region (Clothing)
Part G Provisions for the Western Cape Region (Country Areas)
Part H Provisions for the Western Cape Region (Knitting)
Part I Provisions for the Non-Metro Areas

- (b) by the employers and employees in the Clothing Industry who are members of the employers' organisations and the trade union, respectively.
- (2) 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 the trade union respectively.

2. PERIOD OF OPERATION OF THIS AGREEMENT

This Agreement shall come into operation on such date as may be fixed by the Minister of Labour in terms of section 32 (2) of the Act, and shall remain in force until 31 August 2012. This Agreement shall bind the Parties and their members and shall remain effective beyond the expiry date determined by the Minister or until the Parties agree otherwise.

3. SPECIAL PROVISIONS

The provisions contained in clauses 11.1(1) and (5), 14.4B and 14.6(5) of Part A; clauses 19B, 23A(1) and (5) and 34(5) of Part B; clauses 4(5), 23B, 27(1) and (4) and 38(5) of Part C; clauses 19B, 22(5), 25(1) and 26A(1) and (2) of Part D; clauses 13A(1) and (2), 16B and 28(5) of Part E; clauses 11(4)(b), 14(1) and (5), 19B, 26(13)(a) to 26(13)(g)(v) and 37(5) of Part F; clauses 11(4)(b), 14(1) and (5), 19B, 26(13)(a) to 26(13)(g)(v) and 37(5) of Part G; clauses 11(4)(b), 14(1) and (5), 19B, 26(13)(a) to 26(13)(g)(v) and 37(5) of Part H and clause 34 (5) of Part I of the Agreement published under Government Notices Nos. R1154 of 15 December 2005, R. 884 of 8 September 2006, R. 1079 of 3 November 2006, R. 844 of 14 September 2007 and R. 1053 of 9 November 2007 (hereinafter referred to as the "Former Agreement"), as further amended, extended and re-enacted from time to time, shall apply to employers and employees who are members of the parties to the collective agreement.

4. GENERAL PROVISIONS

The provisions contained in clauses 3 to 10, 11.1(2) to (4), 11.2 to 14.4A, 14.5 to 14.6(4), and 14.6(6) to 18 of Part A; clauses 3 to 19A, 20 to 22, 23A(2) to (4), 23B to 34(4) and 34(6) to 38 of Part B; clauses 3 to 4(4), 4(6) to 23A, 24 to 26,

27(2) and (3), 27(5) to 38(4) and 38(6) to 41 of Part C; clauses 3 to 19A, 20 to 22(4), 22(6) to 24, 25(2) to (12) and 26A(3) to 29 of Part D; clauses 3 to 12, 13A(3) to 16A, 17 to 28(4) and 28(6) to 33 of Part E; clauses 3 to 11(4)(a), 11(5) to 13, 14(2) to (4), 15 to 19A, 20 to 26(12), 26(13)(g)(vi) to 37(4) and 37(6) to 45 of Part F; clauses 3 to 11(4)(a), 11(5) to 13, 14(2) to (4), 15 to 19A, 20 to 26(12), 26(13)(g)(vi) to 37 (4) and 37(6) to 45 of Part G; clauses 3 to 11(4)(a), 11(5) to 13, 14(2) to (4), 15 to 19A, 20 to 26 (12), 26(13)(g)(vi), to 37(4) and 37(6) to 45 of Part H; clauses 3 to 34(4) and 34(6) to 42 of Part I of the Former Agreement (as further amended, extended and re-enacted from time to time), shall apply to employers and employees.”.

**5. PART B OF THE FORMER AGREEMENT: PROVISIONS FOR THE
FREE STATE & NORTHERN CAPE REGION**

5. 1: SCOPE OF APPLICATION OF THIS PART OF THE AGREEMENT

Insert the following new sub-clause (3) with effect from 1 December 2007:

“(3) The Table of contents of this Part B of the Main Collective Agreement is as follows:

CLAUSE NO:	DESCRIPTION
1.	Scope of Application of this part of the agreement
2.	Period of operation of this part of the agreement.....
3.	Definitions
4.	Remuneration
5.	Incentive Bonus Scheme
6.	Short Time
7.	Payment of Amounts due to Employees
8.	Proportion of Ratio of Employees
9.	Hours of Work.....
10.	Overtime and Sunday work.....
11.	Outwork
12.	Registration of an Employer.....
13.	Paid Holidays and Annual Leave

14.	Termination of Employment
15.	Premiums
16.	Tools
17.	Contracts
18.	Engagement, Transfer and Termination Forms
19.	Exemptions
20.	Council Funds
21.	Medical Benefit Society
22.	Extract from Wage Registers
23.	Trade Union Labour
24.	Powers of Designated Agents
25.	Prohibition of Employment of Children and of Forced Labour
26.	Exhibition of Agreement
27.	Overalls
28.	Safeguard of Workers' Earnings
29.	Provident Fund
30.	Administration and Interpretation of Agreement
31.	Severance Pay
32.	Maternity Benefits
33.	Procedure to Enforce Compliance with this Part of the Agreement
34.	Dispute Procedure
35.	Industry Protection Fund
36.	Frequency of Negotiations and Industrial Action
37.	Atypical Work, Outsourcing and Subcontracting
38.	Productivity

6. CLAUSE 29 OF THE FORMER AGREEMENT: PROVIDENT FUND

- 6.1 With effect from 1 December 2007, in sub-clause (1), insert the following expression to the end of the second paragraph:

"The administration and management of, and contributions and benefits paid by the Fund will be governed by the provisions of this part of the agreement, and any Rules of the Fund (agreed by the Administrative Committee), and reduced to writing."

- 6.2 In clause 29, insert the following new sub-clause (4):

"(4) Benefits:

- (a) The Fund shall pay benefits in the event of a member leaving the Fund by withdrawal, retrenchment, death, retirement or ill-health, in accordance with the Rules of the Fund.
- (b) There shall be no waiting period for payment of benefits, nor shall a vesting scale or forfeiture rules apply.
- (c) Notwithstanding anything to the contrary in the Rules of the Fund, the death benefit provided to metro members will be R10 000, plus the value of their account in the Fund. The benefit to non-metro members will be limited to their member share.
- (d) The Administrative Committee may augment the members share of all members of the Fund by the declaration of a bonus, subject to confirmation from an actuary that the bonus will not place the Fund in a financially unsound position."

- 6.3 In clause 29, insert the following new sub-clause (5):

"(5) Fund Accounts:

The Administrative Committee may, upon advise from their advisors, establish such accounts in the Fund as may be deemed appropriate to ensure the sound ongoing functioning of the Fund, and may credit such amounts to those accounts at establishment as their advisors deem appropriate, subject to the establishment of the accounts with these recommended amounts not placing the Fund in a financially unsound position. It is required that the Rules of the Fund reflect these reserve accounts, and specify the provisions for the operation of these accounts. These reserve accounts must at all times be operated in compliance with any applicable legislation."

7. CLAUSE 29 OF THE FORMER AGREEMENT: PROVIDENT FUND

With effect from 1 April 2008, Clause 29 Provident Fund is amended as follows:

- 7.1 In sub-clause (1), first paragraph, substitute the expression "dissolved" for the expression "continued".
- 7.2 In sub-clause (1), insert the following sub-clauses (a), (b), and (c) after the first paragraph:
 - (a) The assets and the liabilities of the Fund on that date will be transferred to the Provident Fund for the Clothing Industry (Northern Areas), to be renamed to the Provident Fund for the Clothing Industry (Northern Chamber) on 1 April 2008, (hereinafter in referred to as the Northern Chamber Fund) and the Fashion Industry Protection Fund, each split between the two funds as recommended by an Actuary appointed for this purpose, and agreed to by the Administrative Committee, in consultation with their advisor;
 - (b) If the actual transfer of assets (and therefore liabilities) takes place on a date other than 1 April 2008, the liabilities shall be increased by interest as recommended by the actuary and approved by the Administrative Committee, and the full value of assets as at 1 April 2008, with further investment returns to the date of transfer, less any expenses, shall be transferred;
 - (c) The Fund (the Provident Fund for the Clothing Industry (Free State and Northern Cape)) shall then be known as the Former Fund, where appropriate;
 - (d) The Northern Chambers Fund shall be read to be the Fund in the balance of these Rules, from 1 April 2008, where appropriate;
 - (e) The administration and management of, and contributions and benefits paid by the Northern Chambers Fund will be governed by a collective agreement to be gazetted and an agreed set of Rules for that fund, the Rules ultimately being registered with the Registrar of Pension Funds in terms of the Pension Funds Act. However, the provisions of that Fund are briefly summarised in sub-clause (2);
 - (f) For each member of the Fund, the balance held in that member's account in the Fund on 1 April 2008 will be

transferred to an account established for that member in the Northern Chambers Fund;

- (g) The mechanism used for the dissolution of the Fund is the Transfer of Fund provision contained in sub-clause 30(2) in this Part of main agreement. The transfer of assets and liabilities between this provident fund and the Fashion Industry Protection Fund is a once-off transfer;
- (h) A notice to the Registrar of Labour should be given in terms of a Section 14 transfer. The Registrar may gazette the notice of dissolution of the two funds; and
- (i) Any requirements of a fiscal nature shall be fulfilled.

7.3 In sub-clause (1), substitute the expression "Northern Chamber Fund" for the expression "Fund".

7.4 In sub-clause (1), insert the expression "and the Fund shall no longer provide the benefits to employees.", behind the wording "benefits to employees."

7.5 In sub-clause (2), substitute existing sub-clause with the following new sub-clause:

"(2) The Fund (and the Northern Chambers Fund with effect from 1 April 2008, upon which date all below will cease in the Fund, given the full transfer of the Fund to that fund and the Clothing Industry Protection Fund, and read as such) shall consist of:"

7.6 In sub-clause (2), insert the following new sub-clauses (e) and (f):

"(e) Any values transferred as a result of an amalgamation, merger, or a bulk transfer of assets and a liabilities as a result of sub-clause 1 (5) above;

(f) Any values transferred from any other retirement provision, with the approval of the Administrative Committee (or its successor) subject to meeting the fiscal requirements by an individual member."

7.7 In sub-clause (3)(b), substitute the expression "seventh" for the expression "tenth" and the expression "The interest received shall be added to the interest income of the Fund and form part of the general investment returns of the Fund.", for the expression "": Provided that the Council shall be entitled in its absolute discretion to waive the payment of such interest or part thereof. At the discretion of the Council, the interest may accrue to the general fund of the Council."

7.8 In clause 29, insert the following new sub-clause (6):

“(6) Members of the Fund (and the Northern Chambers Fund with effect from 1 April 2008, upon which date all members and their benefit entitlements of the Fund transfer to that fund, and read as such) shall consist of:

- (a) Active members, for whom contributions are made on a regular basis;
- (b) Inactive members, who are currently dormant in the Fund, because they are not currently employed in the industry as defined in Clause 3, but who are expected to return to the industry; and
- (c) Unclaimed members who last paid a contribution to the Fund more than six months ago, are no longer employed in the industry, and have not come forward to claim their benefit in the Fund, except that, where the Unclaimed Members of the Former Fund are transferred to the Northern Chamber Fund on 1 April 2008, and become Unclaimed Members of that fund on that date, any tax obligations which lay with the Former Fund in relation to these Unclaimed Members are transferred to that Fund.”

7.9 In sub-clause (4) substitute existing sub-clause with the following new sub-clause:

“(4) Benefits “(subject to the transfer of all benefit entitlement to the Northern Chambers Fund upon the merger and dissolution of the Fund):”

7.10 In sub-clause (4), insert the following new sub-clauses (e) and (f):

“(e) On 1 April 2008 the severance benefit offset as described in sub-clause 31(4) shall cease, and a value is to be calculated by the Actuary and recommended to the Administrative Committee as the amount which gives recognition to the expected present value of the severance benefit offset that the employer would have enjoyed had the benefit not been discontinued. Upon acceptance of the recommendation by the Actuary, this amount will be transferred to the account established in the Fashion Industry Protection Fund for the employer of that member, to be dealt with in accordance with the provisions of this agreement that relates to that fund.

- (f) On 1 April 2008 the enhanced Provident Fund benefit at retirement due in terms of the Rules of the Fund shall cease, and a value is to be calculated for each member by the Actuary and recommended to the Administrative Committee as the amount which gives recognition to the expected present value of the enhanced retirement benefit that the member may have enjoyed had he reached retirement, and the benefit not been discontinued. Upon acceptance of the recommendation by the Actuary, this amount will be added to the members share of each active member of the Fund. For any dormant member who has reached retirement age, that dormant member shall be assumed to retire on that date, and have their benefit enhanced appropriately."

8. CLAUSE 30 OF THE FORMER AGREEMENT: ADMINISTRATION AND INTERPRETATION OF AGREEMENT

- 8.1 In Clause 30, with effect from 1 April 2008, renumber first paragraph to read (1) and insert the following new sub-clause (2)(a), (b), (c), (d), (e) and (f):

"(2) Notwithstanding anything to the contrary in this Part of the Agreement, the Council or Regional Chamber may formally dissolve any funds established or constituted by the Council for the benefit of the employees of the Region, subject to the following:

- (a) Such dissolution may take the form of a transfer, merger, amalgamation or split;
- (b) On the dissolution date, all contributions to the fund shall cease, and accrual of benefits shall terminate;
- (c) On the dissolution date, all the cash, assets and liabilities, members and unclaimed benefits, rights, and benefit obligations in terms of that clause / those clauses of the agreement / and Rules that govern that fund are transferred to another fund/s and / or society duly constituted for substantially the same purpose or to give the same effect as the fund being dissolved;
- (d) In the event of such decision, all amounts standing to the effect to the personal credit of stakeholders of the fund being dissolved shall be transferred to their credit under the new fund/s and / or society, and the benefits due to such stakeholders shall not be changed in any way by virtue of

such transfer, except where specifically provided for by agreement by the parties;

- (e) Notice of the dissolution of the Fund shall be provided to the Registrar: Labour, who shall gazette such notice, and such further regulatory action as is required shall be complied with; and
- (f) Any requirements of a fiscal nature shall be fulfilled."

9. CLAUSE 31 OF THE FORMER AGREEMENT: SEVERANCE PAY

- 9.1 In sub-clause 31(4), with effect from 1 April 2008, substitute sub-clause (4) with the following new sub-clause:

"(4) Until 1 April 2008, where an employee aged 50 years or older, subject to sub-clause (5) below, is retrenched, such employee shall receive the stipulated enhanced Provident Fund benefits due in terms of the rules (if any) read the constitution of the fund. With effect from 1 April 2008, the benefit enhancement will cease, as described in sub-clause 4 (f) above. Until 1 April 2008, the employer's liability in respect of retrenchment benefits for such employee shall be limited to the payment of the difference between the said enhanced Provident Fund benefit and the amount of severance pay reflected in sub-clause (1) above where the enhanced Provident Fund benefit is less than the severance pay. With effect from 1 April 2008, the employer's liability in respect of retrenchment benefits will be the amount of severance pay reflected in sub-clause (1) above. However, to the extent that the employer is compliant, the employer may claim an offset from the Fashion Industry Protection Fund as is provided for in sub-clause 35 (21)."

10. PART D OF THE FORMER AGREEMENT: PROVISIONS FOR THE NORTHERN REGION (CLOTHING)

10.1 CLAUSE 14: SEVERANCE PAY

In sub-clause 14(4), with effect from 1 April 2008, substitute sub-clause (4) with the following new sub-clause:

"(4) Until 1 April 2008, where an employee aged 50 years or older, subject to sub-clause (5) below, is retrenched, such employee shall receive the stipulated enhanced Provident Fund benefits due in terms of the rules of the Fund. With effect from 1 April 2008, the benefit enhancement will cease, as described in sub-clause 9 A (9) (c) of the Consolidated Collective Fund Agreement for the Northern

Region. Until 1 April 2008, the employer's liability in respect of retrenchment benefits for such employee shall be limited to the payment of the difference between the said enhanced Provident Fund benefit and the amount of severance pay reflected in sub-clause (1) above where the enhanced Provident Fund benefit is less than the severance pay. With effect from 1 April 2008, the employer's liability in respect of retrenchment benefits will be the amount of severance pay reflected in sub-clause (1) above. However, to the extent that the employer is compliant, the employer may claim an offset from the Fashion Industry Protection Fund as is provided for in sub-clause 6 (21) of the Consolidated Collective Fund Agreement for the Northern Region."

11. PART E OF THE FORMER AGREEMENT: PROVISIONS FOR THE NORTHERN REGION (KNITTING)

11.1 CLAUSE 1: SCOPE OF APPLICATION OF THIS AGREEMENT

Insert the following new sub-clause (3) with effect from 1 December 2007:

"(3) The Table of contents of this Part E of the Main Collective Agreement are as follows:

CLAUSE NO:	DESCRIPTION
1.	SCOPE OF APPLICATION OF THIS PART OF THE AGREEMENT
2.	PERIOD OF OPERATION OF THIS PART OF THE AGREEMENT
3.	DEFINITIONS
4.	REMUNERATION
5.	PAYMENT OF AMOUNTS DUE TO EMPLOYEES
6.	HOURS OF WORK
7.	OVERTIME AND SUNDAY WORK
8.	ANNUAL LEAVE AND PAID HOLIDAYS
9.	TERMINATION OF EMPLOYMENT
10.	ENGAGEMENT IN EMPLOYMENT
11.	COUNCIL FUNDS

12.	EXTRACTS FROM WAGE REGISTERS.....
13.	TRADE UNION LABOUR.....
14.	PROHIBITION OF EMPLOYMENT OF CHILDREN AND OF FORCED LABOUR
15.	REGISTRATION OF AN EMPLOYER
16.	EXEMPTIONS
17.	POWERS OF DESIGNATED AGENTS
18.	FIXED-TERM CONTRACTS
19.	MEDICAL BENEFIT SOCIETY
20.	SICK PAY FUND
21.	SHORT TIME.....
22.	KNITTING INDUSTRY PROVIDENT FUND (NORTHERN AREAS)
23.	SAFEGUARD OF WORKERS' EARNINGS
24.	SEVERANCE PAY.....
25.	OVERALLS.....
26.	AGENCY SHOP: EMPLOYERS' ORGANISATION
27.	PROCEDURE TO ENFORCE COMPLIANCE WITH THIS PART OF THE AGREEMENT
28.	DISPUTE PROCEDURE.....
29.	EXHIBITION OF AGREEMENT
30.	INDUSTRY PROTECTION FUND
31.	FREQUENCY OF NEGOTIATIONS AND INDUSTRIAL ACTION
32.	ATYPICAL WORK, OUTSOURCING AND SUBCONTRACTING.....
33.	PRODUCTIVITY

12. CLAUSE 22 OF THE FORMER AGREEMENT: KNITTING INDUSTRY PROVIDENT FUND (NORTHERN AREAS)

12.1 In sub-clause (3), insert the following new sub-clause (f):

“(f) Fund Accounts

The Administrative Committee may, upon advice from their advisors, establish such accounts in the Fund as may be deemed appropriate to ensure the sound ongoing functioning of the Fund, and may, having received advice from their advisors, credit such amounts to those accounts at establishment as the Administrative Committee determines, subject to the establishment of the accounts with these recommended amounts not placing the Fund in a financially unsound position. The Rules of the Northern Chamber Fund will reflect these reserve accounts, and will specify the provisions for the operation of these accounts. These reserve accounts will at all times be operated in compliance with any applicable legislation.”

- 12.2 In sub-clause (8), substitute the sub-clause (8) with the following new sub-clause:
- “(8) Payment of interest: In addition to the refund of contributions and the payment of such benefits as may have accrued to him, a member shall be entitled to interest, the rate of which shall be determined by the Administrative Committee, upon the advice of the Actuary, and will be related to the investment returns earned on the assets of the Fund. The interest accruing to members shall be credited to the members’ accounts and paid to them, together with the refund of contributions and any other benefits which may be due.”
- 12.3 In sub-clause (11), with effect from 1 April 2008, substitute the expression “Council or” for the expression “Councilor”, the expression “and” for the expression “land” and the expression “fund/s and/or” for the expression “fund or”.
- 12.4 In sub-clause (11), insert the following wording “except where particularly provided for by agreement by the parties:” after the sentence “shall in no way be diminished by virtue of such transfer.”
- 12.5 In sub-clause (11), insert the following new sub-clause (a) and (b):
- “(a) On the dissolution date, all contributions to the fund shall cease, and accrual of benefits shall terminate.
- (b) Notice of the dissolution of the Fund shall be provided to the Registrar of Labour, who shall gazette such notice and such further regulatory action as is required shall be complied with.”
- 12.6 In sub-clause 22(1), substitute the expression “dissolved with effect from 1 April 2008” for the expression “continued”.

12.7 In sub-clause (1), insert the following new sub-clauses (a), (b), (c), (d), (e), (f) and (g):

- “(a) The assets and the liabilities of the Fund on that date will be transferred to the Provident Fund for the Clothing Industry (Northern Areas), to be renamed the Provident Fund for the Clothing Industry (Northern Chamber) on 1 April 2008, (hereinafter referred to as the “Northern Chamber Fund”) and to the Fashion Industry Protection Fund, provided that the split between the Northern Chamber Fund and the Fashion Industry Protection Fund shall be as recommended by an Actuary appointed for this purpose, and agreed to by the Administrative Committee, in consultation with their advisor;
- (b) If the actual transfer of assets and liabilities takes place on a date other than 1 April 2008, the liabilities shall be increased by interest as recommended by the actuary and approved by the Administrative Committee, and the full value of assets as at 1 April 2008, with further investment returns to the date of transfer, less any expenses, shall be transferred;
- (c) The administration and management of, and contributions and benefits paid by the Northern Chamber Fund will be governed by the collective agreement to be gazetted and an agreed set of Rules for the Northern Chamber Fund, the Rules ultimately being registered with the Registrar of Pension Funds in terms of the Pension Funds Act;
- (d) For each member of the Fund, the balance held in that member's account in the Fund on 1 April 2008 will be transferred to an account established for that member in the Northern Chamber Fund;
- (e) The mechanism used for the dissolution of the Fund is the Transfer of Fund provision contained in sub-clause 22(11) in this Part E of the Main Agreement. The transfer of assets and liabilities between the Fund and the Fashion Industry Protection Fund is a once-off transfer;
- (f) Notice of the dissolution of the Fund shall be provided to the Registrar: Labour, who shall gazette such notice, and such further regulatory action as is required shall be complied with; and
- (g) Any requirements of a fiscal nature shall be fulfilled.”

12.8 In sub-clause 22(2), substitute the existing sub-clause (2) with the following new sub-clause:

- “(2) The Fund “(and the Northern Chambers Fund with effect from 1 April 2008, upon which date all below will cease in the Fund,

given the full transfer of the Fund to that fund and the Clothing Industry Protection Fund, and read as such) shall consist of-

- 12.9 In sub-clause 22(2), insert the following new sub-clause (h) and (i):
- “(h) Any values transferred as a result of an amalgamation, merger, or a bulk transfer of assets and a liabilities as a result of sub-clause 1 (1) (a) above;
 - (i) Any values transferred from any other retirement provision, with the approval of the Administrative Committee (or its successor) subject to meeting the fiscal requirements by an individual member.”
- 12.10 In sub-clause (22)(4), substitute the sub-clause with the following new sub-clause (4):
- “(4) Members of the Fund (and the Northern Chambers Fund with effect from 1 April 2008, upon which date all members and their benefit entitlements of the Fund transfer to that fund, and read as such) shall consist of:
 - (a) Active members, for whom contributions are made on a regular basis;
 - (b) Inactive members, who are currently dormant in the Fund, because they are not currently employed in the industry as defined in Clause 3, but who are expected to return to the industry; and
 - (c) Unclaimed members who last paid a contribution to the Fund more than six months ago, are no longer employed in the industry, and have not come forward to claim their benefit in the Fund, provided that where the Unclaimed Members of the Fund are transferred to the Northern Chamber Fund on 1 April 2008, and become Unclaimed Members of the Northern Chamber Fund on that date, any tax obligations which lay with the Fund in relation to these Unclaimed Members are transferred to the Northern Chamber Fund.”
- 12.11 In sub-clause 22(5)(e), substitute the expression “seventh” for the expression “tenth” and the expression “The interest received shall be added to the interest income of the Fund and form part of the general investment returns of the Fund.” for the expression “Provided that the Council or Regional Chamber shall be entitled in it absolute discretion to waive the payment of such interest or part thereof. At the discretion of the Council or Regional Chamber, the interest may accrue to the general fund of the Council or Regional Chamber.”

- 12.12 In sub-clause 22(6), substitute the sub-clause (6) with the following new sub-clause:

"(6) Benefits (subject to the transfer of all benefit entitlement to the Northern Chambers Fund upon the merger and dissolution of the Fund):"

- 12.13 In sub-clause 22(6)(b), delete the following wording:

"Payment shall not be made to a member before the expiration of three months, reckoned from the date of which he left the Industry (except at the discretion of the Administrative Committee)."

- 12.14 In sub-clause 22(7), delete sub-clauses (7)(a), (b), (c) and (d) and renumber (e) and (f) to read (a) and (b) respectively.

- 12.15 In sub-clause 22(7)(e) now renumbered (a), substitute the sub-clause with the following new sub-clause:

"(e) 100% of the amount contributed on his behalf by his employer, less any allocation for expenses that have been made from the employer's contribution;"

- 12.16 In sub-clause 22(9)(b)(i), insert the following new paragraphs:

"On 1 April 2008 the retrenchment enhancement described above will cease, and a value is to be calculated by the Actuary and recommended to the Administrative Committee as the amount which gives recognition to the expected present value of the future severance benefit offset as described in Clause 24 that the employer would have enjoyed had the retrenchment enhancement benefit not been discontinued. Upon acceptance of the recommendation by the Actuary, this amount will be transferred to the account established in the Fashion Industry Protection Fund for the employer of that member, to be dealt with in accordance with the provisions of this agreement that relates to the Fashion Industry Protection Fund.

On 1 April 2008 the retirement enhancement benefit shall cease, and a value is to be calculated for each member by the Actuary and recommended to the Administrative Committee as the amount which gives recognition to the expected present value of the previous enhanced retirement benefit that the member may have enjoyed had he reached retirement, and the benefit not been discontinued. Upon acceptance by the Administrative Committee of the recommendation by the Actuary, this amount will be added to the members' share of each active member of the Fund. For any dormant member who has reached retirement age, that dormant member shall be assumed to retire on that date, and have their benefit enhanced appropriately."

- 12.17 In sub-clause 22(9)(b)(ii), substitute the expression "R10 000,00 for the expression "R5 000,00"

13. CLAUSE 24: SEVERANCE PAY

- 13.1 In sub-clause (4) with effect from 1 April 2008, substitute sub-clause (4) with the following new sub-clause:

"Until 1 April 2008, where an employee who is aged 50 years or older, subject to sub-clause (5) below, is retrenched, such employee shall receive the stipulated enhanced benefits due in terms of clause 22 (9) (b) (i) of this part of the agreement. With effect from 1 April 2008, the benefit enhancement will cease, as described in sub-clause 4 (f) above. Until 1 April 2008, the employer's liability in respect of retrenchment benefits for such employee shall be limited to the payment of the difference between the said enhanced Provident Fund benefit and the amount of severance pay reflected in sub-clause (1) above where the enhanced Provident Fund benefit is less than the severance benefit. With effect from 1 April 2008, the employer's liability in respect of retrenchment benefits will be the amount of severance pay reflected in sub-clause (1) above. However, to the extent that the employer is compliant, the employer may claim an offset from the Fashion Industry Protection Fund as is provided for in sub-clause 30 (21)."

Signed at CAPE TOWN on behalf of the Parties this 7th day of APRIL 2008.

F OOSTHUYSEN
Chairperson

P J BRAND
Vice-Chairperson

S D NDUNA
General Secretary