



Circular No 02/2011

Notice to all Employers and Employees

PUBLICATION OF THE COLLECTIVE AGREEMENT

Please note that the collective agreement concluded between parties to the Motor Industry Bargaining Council was published and extended in the Government Gazette No. 33963 dated 28 January 2011, a copy of which is posted on our website www.mibco.org.za along with the Wage schedules which now includes prescribed wages for learners engaged on a Learner-ship Contract in the Motor Industry.

The following significant changes are highlighted below for your attention.

DIVISION A CLAUSE 1 AND DIVISION B CLAUSE 1- SCOPE OF APPLICATION

The scope of application threshold has been increased from R 115,500.00 per annum in Area A to R126,912.00 per annum in area A and from R 98,200.00 per annum in Other Areas to R 108,884.00 per annum in Other Areas.

The threshold for qualification for leave bonus has been increased from R 9 625.00 per month (R 2,221.15 per week) in Area A to R 10,576.00 per month (R 2 440.62 per week) in Area A and from R 8,183.33 per month (R 1,888.46 per week) in Other Areas to R 9,073.67 per month (R 2,093.92 per week) in Other Areas.

DIVISION A CLAUSE 12 – SICK LEAVE

The sick leave clause now sets out the criteria for the medical certificate issued by stipulating who it should be issued by. “.....shall produce such medical certificate as issued and signed by a medical practitioner or any other person who is certified to diagnose and treat patients and who is registered with the Professional Council established by an act of Parliament.....”

Also included in this clause is the provision that a medical certificate be produced when absent from work the day prior to or after a public holiday.

DIVISION A CLAUSE 13 – RETRENCHMENT PAY

The capping of 12 years previously included in the clause has been removed. There is now no capping on retrenchment pay.

DIVISION A CLAUSE 12 AND 27 – ADDITIONAL HOLIDAY PAY FOR APPRENTICES AND ADDITIONAL HOLIDAY PAY

Contributions towards the Additional Holiday Pay Fund have been increased as stipulated below.

APPRENTICE – THREE YEAR CONTRACT

First year of contract	-	R 30.26
Second year of Contract-		R 37.51
Third year of contract	-	R 46.10

APPRENTICE - FOUR YEAR CONTRACT

First year of contract	-	R 30.26
Second year of Contract-		R 33.19
Third year of contract	-	R 37.51
Fourth year of contract	-	R 46.10

GRADE 7 EMPLOYEE - R 55.60

GRADE 8 EMPLOYEE - R 63.56

Also note that the maximum payment of the two weeks leave bonus prescribed has been increased from R 3,032.10 to R 3,304.80. (Please note that the capping does not apply to those employed in Chapter III establishments as well as the fact that in Chapter III establishments the bonus prescribed is three weeks pay)

DIVISION A CLAUSE 38 – TEMPORARY EMPLOYMENT SERVICE

The major change is the introduction of an undertaking that sector 5 employers (fuel resellers) will have none of their core workforce belonging to temporary employment services by the end of February 2012 and the rest of the industry will not have more than 35% of their workforce belonging to temporary employment services by the end of August 2013. It also confirms the obligation of temporary employment services employers wanting to function within the Motor Industry to register with MIBCO as well as with CIPRO and confirms the obligation of such employers to comply with the Industry Social Benefit Fund agreements and rules.

DIVISION B CLAUSE 8 – ANNUAL LEAVE

The maximum payment of the two weeks leave bonus prescribed has been increased from R 3,032.10 to R 3,304.80.

DIVISION C CHAPTER 1 CLAUSE 2 – DEFINITIONS

Included in this clause is the definition of Cashier which is defined as “an employee employed at a service station who mainly or exclusively handles cash or card payment or purchases relating to the forecourt, convenient store , car wash attached to the business of a filling station on a regular basis and is solely responsible for the balancing of financial transactions at the end of the shift inclusive of an drop safe activities” The cashier is graded as a Grade 2 employee and should be paid at least the Grade 2 wage rate.

DIVISION C CHAPTER III CLAUSE 4 – WAGES

Included in this clause is a preamble introducing a threshold for all chapter III employees inclusive of Division B employees (Clerical) employed in chapter III establishments. This threshold is set at R115,500.00 per annum and accordingly prescribes that all employees earning less than the threshold set would qualify for the actual increase negotiated. Any one earning in excess of the threshold set, will not qualify for the increase. The threshold is to remain at R115,500.00 per annum for the next three years.