



Circular No: 07/2011

27 June 2011

**TO ALL EMPLOYERS IN THE MOTOR INDUSTRY**

Mesdames and Gentlemen

- 1. Identification of Payments**
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- 3. Cheque payments to Mibco**
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**1. Identification of Payments**

The Mibco Shared Services Centre (MSSC) continues to face challenges with payments made on their monthly returns by some employers where insufficient identification of the payment is made when such payments are effected.

Insufficient identification of payments has the result that payments cannot be matched to the employer return and funds cannot be processed and allocated to Funds. Inability to process and allocate payments results in your employees' benefits being jeopardized and employers' accounts not being credited with payments, because the payments received have to be held in suspense accounts awaiting efforts to trace the source of payment.

May we ask your cooperation to please take care when remitting returns payments to Mibco. The following points are critical in ensuring that your returns payment is properly matched to your Company's submitted return and that it is promptly processed:

**1.1 EFT Transfers** (Internet Banking transfers) Please ensure that the name of your **Mibco registration number** and Company Name is listed as your payment information when creating Mibco as a beneficiary on your Internet Banking Profile. If you have Mibco set up as a beneficiary already, please check that this is in order and if not, please update your beneficiary information. We are still getting very weird beneficiary references on payments and it is impossible to trace many of these payments, with the obvious negative results.

**1.2 In the case of employers who have more than one branch or business** and you are making one payment for a number of returns submitted, please fax the proof of payment to the Mibco SSC together with a breakdown of the payment made per each Mibco establishment number. This will enable us to match and process returns promptly. The fax number to use for this notification is 086 649 1394

**1.3 Cash and cheque deposits.**

Please ensure that your MIBCO number, Company name and your business telephone number are clearly indicated on the deposit slip. If you are making a single payment for more than one business, please fax a copy of the deposit slip accompanied by a breakdown of how the payment has been made by indicating the Mibco establishment number against the amount owing and included in the payment to us at fax number 086 649 1394.

**2. Re-activation of the Penalty Clause in the Main Agreement for the Motor Industry**

You may recall that, due to system problems which were experienced at Mibco during the past year, the imposition of penalties on late payments were suspended by Mibco in fairness to employers. Now that the system is stable and it is again business as usual, the Governing Body resolved that the penalty clause on late payments as determined in the Main Agreement for the Motor Industry will be re- activated with effect from 1 July 2011. We urge you to ensure that your monthly returns are finalised, submitted and paid by the 10<sup>th</sup> of the month following the forecast period in order to avoid the imposition of penalties. The penalty clause will also be applicable to arrears and it would be appreciated if you would please keep this in mind.

### 3. Cheque payments to Mibco

In an attempt to discourage fraudulent activity in and around cheque payments to Mibco, you are cordially reminded that the following rules should be adhered to when making a cheque out to Mibco.

The cheque must be made out to: **MOTOR INDUSTRY BARGAINING COUNCIL** (no other variations should be used) and at all times be crossed with the wording **NOT TRANSFERABLE**.

Should the cheque be intercepted the likelihood of the cheque being altered in favour of another party will be diminished if the wording given above is used.

It would however be preferred if an electronic payment was made into the Mibco banking account, following the guide lines as given in paragraph 1 above as this would alleviate any possible interception of the payment made to Mibco.

### 4. Auto Workers and Motor Industry Provident fund application forms

Your attention is drawn to the fact that the provident fund application forms changed at the beginning of 2011 and that the Motor Industry Fund Administrators (MIFA) will no longer accept any other variation of the application form.

The new application forms are available on MIFA'S website: [www.mifa.org.za](http://www.mifa.org.za) or from any of Mibco's Regional offices.

By way of a reminder please note that MIFA will only entertain **original application forms and supporting documentation** and that faxed and scanned documentation is no longer permissible.

## **5. Tax numbers for all employees**

We would like to remind you that the Tax legislation changed during the course of this year whereby all employees, regardless of income, are to be registered with SARS.

This has a direct impact on all Provident Fund applications and SARS will no longer accept applications for tax clearance purposes if the member has not stated his / her personal tax number on the Provident Fund payment application form.

In order for smooth processing of the application form to be effected it is requested that their personal tax numbers be supplied to all employees, especially when they have resigned and are in the process of claiming their Provident Fund benefits.

Submitted for your kind attention.

Yours faithfully

THE MIBCO TEAM