

275 Kent Avenue  
Ferndale  
Randburg  
2194  
Tel: 0861664226  
Fax: 011 369 7600  
LRA2/6/6/1

# CIRCULAR



Good to Great Together

**CIRCULAR MEMO NO: 11 /2016**

**DATED: 26 August 2016**

## **TO ALL PARTICIPANTS IN THE MOTOR INDUSTRY**

MIBCO is governed, in terms of its role and functions, by collective agreements which are negotiated between employee and employer parties within the Motor Industry. One such collective agreement is the Administrative Agreement which is of limited duration, covers amongst other things, the following:

1. The funding of MIBCO through a levy system by means of returns which is processed on a monthly basis;
2. The deduction and remittance by employers of retirement fund contributions by means of the returns process;
3. The payment of benefit fund contributions by employers by means of the returns process;
4. The deduction and remittance of trade union subscription fees by employers by means of the return process; and
5. The enforcement of collective agreements and disputes through the Dispute Resolution Centre (DRC).

**Please be advised of the following two important notices:**

### **EXPIRY OF THE MAIN AGREEMENT AND THE ADMINISTRATIVE COLLECTIVE AGREEMENT**

The Main Agreement and the Administrative Collective Agreement of MIBCO will expire on 31 August 2016.

In the meantime, employers will be able to continue with the payment of Council Levies and Union Subscriptions via the monthly returns system as the lapse of these Agreements are viewed as temporary.

To accommodate the ongoing submission of monthly returns, MIBCO presents the following recommendations regarding as to how the Council Levies and Union Subscription processes should be managed in the interim.

**A. Where employers elect to exercise the option not to pay Council Levies and / or Union Subscriptions via MIBCO, the following should be observed:**

I. **Non-payment of the Council levies to MIBCO**

- MIBCO has enhanced the monthly return system to allow for the ***breakout*** of the Council Levies.

II. **Non-payment of the Union contributions through the MIBCO returns system**

- MIBCO has also enhanced the monthly return system to allow for the ***breakout*** of the Union (NUMSA and MISA) contribution.

**B. Employers electing to continue paying the Council levies and the Union contributions should continue to do so via the monthly returns system as per the standard processes.**

In the event that this option is selected, MIBCO will accept that the payments made have been done with the consent of both the Employer and Employees, and will utilize the monies received for the day to day running of the Council by providing services to the Industry.

We trust this clarifies the matter.

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The General Secretary