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CIRCULAR



Good to Great Together

CIRCULAR MEMO NO: 14/2017

DATED: 19 April 2017

TO ALL PARTICIPANTS IN THE MOTOR INDUSTRY

MIBCO RETURNS SYSTEM – CREATING OF BREAKS DURING THE PERIOD THAT THE COUNCIL HAD NO COLLECTIVE ADMINISTRATIVE AGREEMENT IN PLACE

During 2016 MIBCO communicated with the Industry with specific reference to the fact that the Collective Administrative Agreement expired on 31 August 2016. In this regard the Council emphasised 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).

With specific reference to the Collective Administrative Agreement the Council confirmed the following:

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.

It has now been brought to our attention that certain Employers who elected to create breaks have not created such breaks on the returns system. We have even identified cases where employers have paid certain monetary values without creating the breaks. According to our records the returns for your Business can unfortunately not be processed until such time that the breaks have been confirmed and created.

MIBCO has decided to give you as the affected Employers an opportunity to create these outstanding breaks up until Friday 19 May 2017 where after no breaks will be allowed for the period during which the Council had no Agreement in place.

The new Collective Administrative Agreement commenced as from 10 March 2017 and from such date no further breaks will be allowed.

We trust this clarifies the matter.

The General Secretary