



DATED: 11 September 2020

TO: ALL PARTICIPANTS IN THE MOTOR INDUSTRY

NOTICE: 2020 / 2021 WAGE RELATED MATTERS

Guidance are hereby provided to the Motor Industry with regards to the wage related matters for the wage cycle from 01 September 2020 to 31 August 2021:

The Main Collective Agreement is expired and the Department of Employment and Labour has not yet approved the publication and extension of said Agreement by way of gazettal. Therefore, the provisions and concomitant conditions employment as contained of the Main Collective Agreement cannot be applied and / or enforced (except for Industry Provident Fund related provisions).

At this time MIBCO can only offer guidance and make recommendations on what Industry should consider and how to go about addressing wage issues and sector specific conditions of employment.

1. The Department of Minerals and Energy Resources (DMER) has granted a fuel margin adjustment on 02 September 2020 with the expectation that Sector 5 employers (Fuel Retailers) will effect wage adjustment according the provisional MIBCO wage schedules for the Sector, as set out in MIBCO Circular 2020/00028
2. Other Sectors and Chapters are not required to apply, or comply with provisional MIBCO wage schedules.
3. Employee remuneration and benefits cannot be lessened unless the contract of employment is renewed and done in accordance with the Basic Condition of Employment Act (1997), as amended [hereinafter referred to as the "BCEA"].

4. MIBCO cannot process wage exemptions in terms of:
 - 4.1. The once off annual wage exemption on prescribed and minimum wage rates (i.e. the exemption applied for 30 days after increases are due); or
 - 4.2. The exemption to reduce earnings in terms of the Clause-7 of the expired Main Collective Agreement (to avoid retrenchments).
 - 4.3. Employer may do so in terms of the provisions of the Labour Relations Act (1996), as amended [hereinafter referred to as the “LRA”].
5. Employers can affect changes of wage rates without applying for exemptions from MIBCO, on the proviso that:
 - 5.1. There is adherence to provisions of the BCEA and LRA;
 - 5.2. Wage rates are not less than the national minimum wage in terms of the National Minimum Wage Act (not less than R20.76 per hour); and
 - 5.3. That learner and apprenticeship rates are in accordance with Schedule 2 of the National Minimum Wage Act.
6. The MIBCO Returns system has been adjusted to accept wage rates below the MIBCO prescribed minimum wage and employers are required to make wage adjustments on the MIBCO Returns System by using the MIBCO Online Returns System or by contacting the MIBCO Returns Department on **0861 664 226** or at [Returns@mibco.org.za](mailto>Returns@mibco.org.za)
7. It is essential that changes are made on the MIBCO Returns System as employers are still required to comply with other active MIBCO Collective Agreements in terms of contributions; registrations with the Council and administrative conduct.
8. MIBCO maintains the right to enforce and carry out its statutory duties in terms of the active Collective Agreements and Labour Relations Act. All contraventions may be enforced by MIBCO or referred to the Department of Employment and Labour.

Industry will be updated on the gazettal progress in terms of the Main Collective Agreement and are encouraged to remain aligned with provisional; impending and/or common regulations of the said Agreement as such conditions generally become effective within a minimum of 14 days after gazettal.

The MIBCO Team

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