



DATED: 22 February 2021

TO: ALL PARTICIPANTS IN THE MOTOR INDUSTRY

NOTICE: INCREASE OF NATIONAL WAGE THRESHOLD

Minister of Department of Employment and Labour, Thulas Nxesi, published Gazette 44137 on 08 February 2021 in which the new income of earnings threshold increased to R211 596.30 before tax and contributions. This represents an increase of R6 163.00 from the previous amount of R205 433.30. These amounts equate to approximately

- 17, 633.03 per month; and
 - 4 069.16 per week
- (to be used as a gauge).

The income of earnings threshold is the dividing line where certain provisions of the MIBCO Collective Agreements, the Labour Relations Act (LRA) and other labour related regulations apply. It is incumbent for employers to take note of the change and apply it to relevant conditions of employment and /or regulations. In terms of the MIBCO Provident Fund Agreements, this means that employees whose income of earnings are equivalent or less than the new threshold are required to belong to the Autoworkers Provident Fund (AWPF) or Motor Industry Provident (MIPF), unless those employees have a provident fund exemption to belong to an alternative retirement fund.

The new income of earnings threshold will be implementable from 22 February 2021 and employees in the Motor Industry who are on or below the said annual amount will be required to get a provident fund exemption in place by 24 March 2021 or they and their employers will be registered with the AWPF or MIPF by default.

The MIBCO Team

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