

DATED: 20 APRIL 2023

TO: ALL PARTICIPANTS IN THE MOTOR INDUSTRY

NOTICE: REMINDER OF ACTUAL AND GUARANTEED WAGE EXEMPTION

Individual employers are reminded that if they wish to apply for an exemption to pay a lesser actual or a guaranteed wage increase or to be exempted from paying such for the remaining months of the current wage cycle (i.e. from date of implementation to 31 August 2023), must do so by completing a **Wage Exemption Application Form** which is obtainable from their local MIBCO Regional Office, or on the MIBCO website; www.mibco.org.za or by clicking [here](#). Such applications must be submitted by no later than 21 days from date of this circular to the local MIBCO Regional Office either by hand delivery, registered mail, facsimile or email in the prescribed format with relevant supporting documentation as outlined in the Wage Exemption Application Form.

Submission are due by **00h00 on Monday 24th April 2023.**

Employers are encouraged to make submissions as early as possible to allow Regional Secretaries to assist with applications. It will be risky to submit on the due date as it will not allow MIBCO regional teams to assist employers with incomplete applications. Refer to **Annexure A** information on Regional Offices.

NOTE:

- Incomplete applications will not be escalated to the wage exemption board; it will be declined and appeals cannot be lodged in that respect.
- Employers are advised to refer to the criteria and guidelines in **Annexure B** herein.

The regulated actual and guaranteed wage rates that are relevant to the respective Industry Sectors and Chapters can be found in the Main Agreement, which can be accessed by going to www.mibco.org → *Collective Agreements* → *Main Agreement* → *31 March 2023*,

or

by clicking [here](#) to go directly to the document.

For further assistance please contact your local MIBCO Regional Office as per the contact detail in **Annexure A** attached hereto.

ANNEXURE A: (LIST AND DETAILS OF MIBCO REGIONAL OFFICES)

EASTERN CAPE REGION P.O. BOX 7270 PORT ELIZABETH 6055 TEL: (041) 393-3600 Enquiries: Mr L. Palmer Leslie.Palmer@mibco.org.za	KWA-ZULU NATAL REGION P.O. BOX 10230 ASHWOOD 3605 TEL: (031) 274 0644 Enquiries: Mr S. Nyuswa Sphelele.Nyuswa@mibco.org.za
FREE STATE / N. CAPE REGION P.O.BOX 910 BLOEMFONTEIN 9300 TEL: (051) 409-4000 Enquiries: Mr Q. Ndukuya Quinton.ndukuya@mibco.org.za	HIGHVELD REGION P.O.BOX 2578 RANDBURG 2125 TEL: (011) 369-7750 Enquiries: Mr P. Masemola Paulos.Masemola@mibco.org.za
NORTHERN REGION P.O.BOX 13970 HATFIELD 0028 TEL: (012) 362-4801 Enquiries: Mr P. Masemola Paulos.Masemola@mibco.org.za	WESTERN PROVINCE REGION P.O.BOX 17 BELLVILLE 7535 TEL: (021) 941-7300 Enquiries: Mr G. Basson Gerrie.Basson@mibco.org.za

Regional Offices can also be contacted on the MIBCO National Call Centre Number:

0861 664 226

Annexure B (Actual and Guaranteed Criteria and Guidelines)

1. The Application form

This is created in a specified format. Should you need to attach further documents kindly to maintain the current format and ensure you have noted the number of additional annexures you have attached in your application/motivation letter so that we may ensure that the application is complete prior to being presented before the Wage Exemption Board.

2. Motivation for the application

The Employer should be able to supply written reasons together with sufficient supporting documents to ensure a satisfactory motivation.

Important points to note:

- 2.1 Where ever possible the reasons that are supplied should have a corresponding supporting document.
- 2.2 The motivation supplied should also be carried forth into the “proof of consultation” requirement in that, the Employees should be duly informed of the issues that have resulted in this application and given the opportunity to address these.
- 2.3 There should never be different reasons supplied in the motivation to those supplied in the proof of consultation.

3. The supporting Financial Information

3.1 Common errors found –

- a) Providing unaudited financial statements instead of audited.
- b) Not providing the complete set of audited financial statements.
- c) Not providing the audited financial statements for 3 years as required.
- d) Not providing detailed income statements.
- e) Not including the projection.
- f) Inadequate information provided in projection.

- g) Projection provided but it does not make sense. No thought process employed in determining projection.
- h) Excluding the audit report (for a (PTY LTD) or the accounting officer's report (for a CC).
- i) Missing pages within Financial Statements.

3.2 In order for this application to be considered, please ensure the following information is included for the following types of establishments:

3.2.1 Proprietary Limited company (PTY LTD):

- a) Complete sets of Audited Financial Statements for the past three (3) years. A signed audit report and detailed income statements must be included.
- b) A projected income statement as per **Annexure "B"**. The projection must make sense when compared to previous years. A thought process must be followed in determining the projection.
- c) The completed checklist as per **Annexure "C"**. The document must be adequately understood and completed.
- d) Completed financial ratio analysis as per **Annexure "D"**. All information must be provided. The income statement items must be verified against the information provided in **Annexure "B"**.
- e) Balance Sheet information must make sense, and the Balance Sheet must balance, meaning that the Assets must be equal to the total of the Liabilities added to the Capital and Reserves.

3.2.2 Close Corporation (CC):

- a) Complete sets of Financial Statements for the past three (3) years, signed off by the Accounting Officer. The signed Accounting Officer's report and the detailed income statements must be included.
- b) A projected income statement as per **Annexure "B"**. Ensure that this projection makes sense when compared to previous years. A thought process must be followed in determining the projection.

- c) The completed checklist as per **Annexure “C”**. Ensure this document is adequately understood and completed.
- d) Completed financial ratio analysis as per **Annexure “D”**. Ensure All information is provided. The income statement items must be verified against the information provided in **Annexure “B”**.
- e) Balance Sheet information must make sense, and the Balance Sheet must balance, meaning that the Assets must be equal to the total of the Liabilities added to the Capital and Reserves.

3.2.3 **Sole Proprietor:**

- a) Complete sets of Financial Statements for the past three (3) years. Ensure that the financial statements are signed by the sole proprietor and the detailed income statements are included.
- b) The Cash flow Statements for the past two years, as usually supplied to a financial institution.
- c) Sworn Affidavit confirming the correctness of the financial information.
- d) A projected income statement as per **Annexure “B”**. Ensure that this projection makes sense when compared to previous years. A thought process must be followed in determining the projection.
- e) The completed checklist as per **Annexure “C”**. Ensure this document is adequately understood and completed.
- f) Completed financial ratio analysis as per **Annexure “D”**. Ensure ALL information is provided. The income statement items must be verified against the information provided in **Annexure “B”**.
- g) Balance Sheet information must make sense, and the Balance Sheet must balance, meaning that the Assets must be equal the total of the Liabilities added to the Capital and Reserves.

4. **The Proof of Consultation**

Adequate proof of consultation should be a copy of the minutes/ of all relevant meetings held with the affected employees setting out the following:

- a) A list of all the people present at the meeting and the capacity in which they attended.
- b) All issues & proposals made by employees and / or employee representatives must be responded to by employer and where the employer does not agree with them the employer must state his reason for not agreeing.
- c) The motivation for which the Employer is seeking exemption must correspond with the information supplied to the Employees prior to the submission of the application.
- d) All background information with the exception of individual employee wages, relevant to the employers' intention to apply for exemption from wage increases (actual / guaranteed) must be disclosed to employees during the consultation meeting.

The following does not constitute adequate consultation:

- a) A register with signatures of all employees present (except for Provident Fund Exemption Applications).
- b) Copies of notifications of the intended effect of the exemptions being placed on Notice Boards.

Please note that “adequate proof of consultation” does not mean that the Employees **have to consent** to the Employer's Application. Proof of consultation is purely for the purposes of showing that the Employees are aware of the Employer's intentions and have been given an opportunity to voice their opinions. The relevant minutes and the Employees agreement or not, to the issues raised is just one of the factors reflected upon when considering these applications.

The MIBCO Team

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