

Dated: 05 AUGUST 2025

Circular no: 2025/00016

To: ALL PARTICIPANTS IN THE MOTOR INDUSTRY

Notice: LAPSE PERIOD DUE TO THE EXPIRY OF MIBCO COLLECTIVE AGREEMENTS

This notice aims to guide employees and employers of MIBCO processes during an impending partial lapse period that will come into effect from 01 September 2025, due to the expiry of two (2) Collective Agreements, namely,

- The MIBCO Administrative Collective Agreement (Gazette 48340, Notice no. R.3225 of 31 March 2023, implemented on 10 April 2023) expires on 31 August 2025; and
- The Main Collective Agreement (Gazette 48340, Notice no. R.3226 of 31 March 2023, implemented on 10 April 2023) expires on 31 August 2025.

The enactment of the lapse period is due to ongoing processes to amend the aforementioned MIBCO Collective Agreements.

This means that –

1. There are no wage provisions for the Motor Industry as of 01 September 2025 and MIBCO cannot prescribe wage rates, wage benefits, prescribe wage increases or process wage exemptions. However, it should be noted that employers cannot effect changes to wages unilaterally, and any agreed change must be on the proviso that:
 - (a) There is adherence with the provisions of Section 4 and 49 of the Basic Conditions of Employment Act, Act no. 75 of 1997, as amended (BCEA) and Section 199 of the Labour Relations Act, Act no. 66 of 1995, as amended (LRA);
 - (b) Wage rates are not less than the National Minimum Wage in terms of the National Minimum Wage Act, Act no. 09 of 2018, as amended (currently not less than R28.79 per hour); and
 - (c) Learner and apprenticeship wage rates are in accordance with Schedule 2 of the National Minimum Wage Act, Act no. 09 of 2018, as amended.

Note: The above legislation provisions are interrelated and all the required provisions should be taken into account when changes to wage rates are considered.

2. Returns should be processed as normal and employers are encouraged to continue with voluntary contributions of Council Levies, the additional holiday benefit contribution and union membership fees, to ensure Council services, benefits and functions continue.
3. The Autoworkers Provident Fund (AWPF) Agreement, Gazette 48571, Notice no. R.3368 of 12 May 2023 and the Motor Industry Provident Fund (MIPF) Agreement, Gazette 48571, Notice no. R.3395 of 12 May 2023 (Industry Funds) have been extended by default and by virtue of the Industry Funds rules. Hence, all processes and operations with regards to the Industry Funds will continue as normal.
4. The Sick, Accident and Maternity Fund (SAMF) Agreement and Rules are active until 31 December 2025, and all related processes and operations will continue as normal.

Contact MIBCO on 0861 664 226 should you have any enquiries with regards to the status of the MIBCO Collective Agreements and matters related to the extension and termination thereof.

The MIBCO Team

---o0o---