

**MEIBC SETTLEMENT AGREEMENT
1 JULY 2014 - 30 JUNE 2017**





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METAL INDUSTRY SETTLEMENT AGREEMENT: 1 JULY 2014 TO 30 JUNE 2017

1. Duration of the Main Agreement:

The signatories to this agreement have agreed the terms of a new MEIBC Collective Main Agreement to operate from 1 July 2014 for parties and, for non-parties, from the date of Gazettal and extension, to the period ending 30 June 2017.

2. Wage Increases 2014:

It is agreed that wages will be increased on actuals effective from the 1 July 2014 in accordance with the wage increase schedule attached as **Annexure A**.

3. Wage Increases 2015:

It is agreed that wages will be increased on actuals effective from the 1 July 2015 in accordance with the wage increase schedule attached as **Annexure B**.

4. Wage Increases 2016:

It is agreed that wages will be increased on actuals effective from the 1 July 2016 in accordance with the wage increase schedule attached as **Annexure C**.

5. Labour Brokers:

It is agreed that labour brokers who do not meet all the statutory requirements in terms of registration with the Bargaining Council and MIBFA will be deemed to be non-compliant labour brokers and shall be liable for prosecution by the Bargaining Council.

Likewise, employers who make use of labour broker services who do not meet all statutory requirement in terms of registration with the Bargaining Council and MIBFA will be deemed to be non-compliant employers and shall be liable for prosecution by the Bargaining Council in terms of the applicable penalties of the Bargaining Council agreements.

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Employees engaged by a labour broker shall be entitled to all terms and conditions of employment as contained in the Main Agreement, including all Social Security Benefits from day one of employment.

It is agreed that employees engaged by a labour broker will be treated no differently from employees employed by an employer on a permanent or limited-duration contract or fixed-term basis, in relation to MEIBC and MIBFA terms and conditions.

It is agreed that the parties will commit to discouraging and minimising the use of temporary employment services in the industry and encouraging the permanent employment relationship between the employer and employee.

It is agreed that this commitment will be referred to the Industry Policy Main Agreement Forum for continued and on-going engagement between the Parties.

Furthermore, the Parties agree that the Bargaining Council, within 3 to 6 months of signing this agreement, will appoint a Labour Broker Compliance Officer, who will receive and act on complaints lodged by employees, trade-unions and employers concerning cases of alleged abuse and non-compliance.

It is agreed that the employer and the labour broker will be held jointly and severally liable for contraventions of Council agreements, rules and all instances of non-compliance.

The Parties agree to jointly approach the Department of Labour to appoint an Ombudsman to deal with cases of non-compliance and/or breaches raised by trade-unions and/or employers.

The Parties furthermore commit to ensuring the observance of fair labour practices when it comes to the relationship between employers, employees and labour brokers. Accordingly, in a serious endeavour to mitigate the risk arising out of the administration of unfair labour practices, the Parties undertake that as far as it is practicably possible to do so, the administration of fair disciplinary action will be administered by trained and professional persons in the employ of the secondary employer, where the capacity exists, or the primary employer, where it is not possible for the secondary employer to do so, e.g. where it is alleged that misconduct has taken place outside the secondary employers premises.

6. Work Re-Organisation:

It is agreed that the Main Agreement will be amended to provide that a company must notify the union of any work re-organization (as defined) not less than 42 days prior to the implementation of the work re-organization.

7. Short Time:

It is agreed that Section 7 of the Main Agreement will be amended to provide that an employer shall give the Regional Council, affected employees and affected party trade union(s) five calendar days' notice if short time is to continue for more than six weeks from the original date of implementation.

It is agreed that during this time period the employer shall consult with the representatives of the officials of the trade union(s) and/or elected shop stewards on the continuation of short-time or alternatives therein as contained in the security-of-employment provisions of Annexure A of the MEIBC Main Agreement.

It is agreed that Section 12(3) (a)(v) of the agreement will be amended to provide that:

Short shifts worked whilst working short time shall count as shifts actually worked. Employees working 24 hours or more, spread over three or four days, and employees on a three-shift system working three or four shifts per week, shall:

- be credited with the full shifts for an ordinary week for purposes of the paid leave referred to in this clause, for up to three (3) months in any calendar year; and
- thereafter, be credited with one additional shift per week and above those shifts actually worked for purposes of the paid leave referred to in this clause.

The Parties further agree, through the auspices of the Industry Policy Forum, to the establishment of an Industry Short Time Fund aimed at addressing the challenges faced by both employers and employees during periods of short-time working.

The Fund will be funded by both employers and employees contributing 5c per scheduled employee, within 6 to 12 months of concluding negotiations.

The IPF Main Agreement Challenges Forum will also look at amending the collective agreement to permit employees who have been placed on short time to take up alternative employment opportunities on a part-time basis, where it is practicable to do so, provided that they will be fully available to their employer when subsequently required to do so.

8. Crediting Shifts for Purposes of Shop Stewards Training Leave:

It is agreed that where a shop steward is granted leave to attend shop stewards training, this will be treated as a shift worked.

9. Time Off for Shop Stewards Elected as Trustees on Industry Benefit Funds and/or Representatives on the MERSETA and/or MEIBC:

The Parties agree that Section 44 and 47 of the Main Agreement will be amended to provide for:

- An employee who is an office bearer of a party trade union, is entitled to take reasonable leave during working hours for the purposes of performing the functions of that office.
- The party trade union and the employer may agree to the number of days of leave, the number of days of paid leave and the conditions attached to any leave.

Subject to reasonable conditions to be agreed at company level, a trade union representative elected as a trustee on the industry benefit funds and/or a representative on the MERSETA and/or MEIBC will be entitled to a minimum of ten days' paid leave per annum for purposes of performing his/her duties as a trustee on the industry benefit funds and/or representative on the MERSETA and/or MEIBC.

The above provision constitutes a minimum floor of rights and any rights at plant level currently exceeding these will remain in force.

Furthermore, the IPF Main Agreement Challenges Forum will, within 6-12 months of concluding this agreement, in collaboration with the Bargaining Council, formulate a recommendation to the MEIBC MANCO, on the establishment of an Administration Fund aimed at compensating union representatives who serve on Council structures who have exhausted their annual entitlement in terms of this provision.

Furthermore, the Parties agree that in principle it is in the best interest of all the Parties to ensure that shop stewards who have been elected

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as Trustees and/or Representatives on industry bodies are able to attend meetings in the interest of advancing the work of these bodies and that shop stewards elected as trustees or representatives on industry bodies will not be out of pocket in relation to lost wages when attending to such duties.

The Bargaining Council Administration Fund will ensure that claims for compensation in terms of lost wages, over and above the minimum entitlement to ten days paid leave per annum, will be made to the employee by the MEIBC Administration Fund.

The Parties furthermore agree that as far as it is practicably possible to do so, the trade unions will endeavour to ensure that employers are not unnecessarily prejudiced by the obligations of any one shop steward being unnecessarily burdened with representational and/or trustee duties resulting in unreasonable absences from work.

10. Crediting Shifts for Time Off for Shop Stewards Elected as Trustees on Industry Benefit Funds and/or Representatives on the MERSETA and/or MEIBC:

It is agreed that where a shop steward is granted leave to attend an Industry Benefit Fund, MERSETA and/or MEIBC meeting, this will be treated as a shift worked.

11. Fatigue Shift:

It is agreed that the fatigue shift will be clarified and operate as follows:

'Fatigue Shift:

Where over-time is worked after the completion of the normal hours of a shift, the employee must be allowed a rest period of at least eight hours before the next normal shift starts.

Where the rest period extends into the next shift, then the overlapping period into the shift is regarded as a paid period that the employee is not required to work'.

12. Medical Aid:

It is agreed that medical aid will be referred to the Industry Policy Forum (IPF) to be discussed under *Health Care*. It is agreed that the IPF will deal with this matter within 12 months of concluding negotiations.

The Parties further acknowledge that where existing medical aid arrangements are in place at individual company level, such arrangements will continue to remain in force and effect.

13. Tool Insurance:

It is agreed that Section 22 of the Main Agreement will be amended to provide for the insurance against the loss of tools, arising out of a fire on the employers' premises, from R2 500 to 100% of the replacement value of the tool, where the value can be proven.

The Parties agree to refer this matter to the MANCO and STANCO to develop an industry guideline to assist employers and trade unions to ensure compliance with the above.

14. MEIBC National Exemptions Policy:

It is agreed that, with immediate effect, the existing MEIBC National Exemptions Policy, attached as **Annexure D**, will, be incorporated into Section 23 of Main Agreement (Exemptions).

It is agreed that the parties' demands on Exemptions will be referred to the IPF Main Agreement Challenges Forum for further negotiation.

Furthermore, it is agreed that as and when agreements are reached on various matters, the agreement/s will be referred to the MANCO with a recommendation for amendment of the MEIBC Main Agreement (Section 23: Exemptions).

15. Issues to be referred to Working Groups and/or STANCO for further discussion:

It is agreed that the following issues will form the basis of further discussion at identified separate Bargaining Council forums:

- Scope of the Agreement:

The extension and scope of the Main Agreement to other sectors. The matter is referred to the MANCO. The STANCO will formulate a report to the MANCO within 6 to 12 months of concluding negotiations.

- Training (Artisan/ Apprentice ratio):

The matter is under discussion at the Merseta Metal Chamber. The MEIBC is to participate in these discussions. The finalisation of a sector-specific artisan-to-apprentice guideline or ratio must take into account the financial capabilities of the sector, availability of skills and employer's capacity and ability to implement the guideline. This may also require the consideration of an incentive-based approach, as opposed to a punitive-based training approach.

Additional matters for discussion will also include facilitating the employment of apprentices who complete their training, a review of rules requiring employees to resign in order to take up an apprenticeship and unlocking access to training opportunities beyond company-specific requirements.

Employers and the party trade unions undertake to work together in a Collaboration Forum in engaging the DOL, MERSETA, the DHET and the MEIBC to address the above terms of reference.

The abovementioned engagement and terms of reference will also include the matter of payment, potential loss of earnings, compensation therein and by whom, in the context of an existing employee undertaking an apprenticeship contract.

The MANCO will receive a progress report from the Metal Chamber representatives within 6 to 12 months of concluding negotiations.

- Maternity Leave Benefits:

The alignment of Section 9 of the Main Agreement to the Sick Pay Fund (SPF) maternity benefits. The matter is referred to the MANCO. The STANCO, working with MIBFA, will formulate a report to the MANCO within 1 to 6 months of concluding negotiations. The report will address the matter of shift accrual and number of pregnancies.

- Regional, Sectoral and Distressed Area dispensation:

These matters are located in the Industry Policy Forum (IPF) Main Agreement Challenges Forum. The MANCO will receive a progress

report from the IPF Main Agreement Challenges Forum representatives within 6 to 12 months of concluding negotiations.

- Small Business:

This matter is located in the Industry Policy Forum (IPF) Main Agreement Challenges Forum. The MANCO will receive a progress report from the IPF Main Agreement Challenges Forum representatives within 6 to 12 months of concluding negotiations.

- Exemptions:

This matter is located in the Industry Policy Forum (IPF) Main Agreement Challenges Forum. The MANCO will receive a progress report from the IPF Main Agreement Challenges Forum representatives within 1 to 6 months of concluding negotiations.

- Demarcations:

The current bargaining council practice of dealing with demarcations must be reviewed. The matter is referred to the MANCO. The STANCO will formulate a report on a review and overhaul of the current practice within 6 to 12 months of concluding negotiations.

- Non-Payment of Retirement Contributions:

The Financial Services Laws General Amendment Act, 2013, signed into law on 16 January 2014, amends Section 37 of the Pensions Funds Act. From 1 March 2014 the non-payment of retirement contributions is a criminal offence.

Enforcement of this new arrangement is the responsibility of MIBFA. MIBFA is managing this change and must continue to do so. The parties agree that the MEIBC must amend its compliance forms to reflect the latest amendments to the Pensions Funds Act.

- Injury on Duty and Disability:

Injury on duty (IOD) and disability is referred to the MANCO. The STANCO must prepare a report on the aligning of the Main Agreement provisions dealing with IOD with COIDA.

The STANCO, working with MIBFA, must prepare a report on a proposed amendment to the Permanent Disability Scheme definition of *disability* from industry vs. own job, the cost implications from increasing the current 37.5% benefit to 75% and related matters.

Both matters will be finalised within 12 months of concluding negotiations.

- Project Work, Annexure H, PLAs and Related Terms and Conditions:

Project Work, Annexure H and PLAs are referred to the MANCO. A Special Technical Working Group must be appointed to deal with these matters (including accrual of shifts). The MANCO will receive a progress report from Special Technical Working Group within 6 to 12 months of concluding negotiations. The Parties, furthermore agree that the MEIBC must assign an agent on site at Medupi Power Station and an agent on site at Kusile Power Station and at any other project that will be erected.

- Sick Pay:

The alignment of Section 34 of the Gazetted Main Agreement with the Sick Pay Fund (SPF) rules. The matter is referred to the MANCO. The STANCO, working with MIBFA, will formulate a report to the MANCO within 6 to 12 months of concluding negotiations. The report will also address the matter of improving benefits to employees and the related costs therein, including the increasing of employer and employee Sick Pay Fund contributions guaranteeing a 100% sick pay fund benefit.

- Productivity and Flexibility:

De-coupling the concluding of productivity agreements from the five-grade job and wage structure agreement, the introduction of flexible working time arrangements for manufacturing type operations, changing shift patterns, introduction of a swing or fourth shift and production bonuses are referred to the Main Agreement Industry Policy Forum.

The MANCO will receive a progress report from the IPF Main Agreement Challenges Forum representatives within 1 to 6 months of concluding negotiations.

- Modernised Grading Model:

The formulation of a modernised grading model, including training stipends, the introduction of a discounted new entry-level wage rate applied to new entrants at any level of work in order to stimulate the employment of new employees into the sector and related matters is located in the Main Agreement Industry Policy Forum. The MANCO will receive a progress report from the IPF Main Agreement

Challenges Forum representatives within 12 months of concluding negotiations.

- Housing:

It is agreed that the matter of housing will be referred to the Bargaining Council Management Committee (MANCO).

The MANCO will appoint a sub-committee to engage with MIBFA to consider a possible amendment to the rules of the Fund to permit employees to access funds against their savings in order to qualify for a housing bond. It is noted that currently this facility is limited to the borrowing of funds for renovation, alteration and/or extension of existing homes.

16. Acting Allowance:

It is agreed that where a lower-rated employee is requested to act in the capacity of a higher-rated employee for more than 4 hours, the employee must receive an acting allowance, from the first hour of acting, calculated as his/her actual rate plus 20% of the higher scheduled rate, on the proviso that the employee cannot earn above the minimum rate for the higher rated job.

17. Stand-By and Call-Out Arrangements:

It is agreed that the provision in Section 39 (3) of the Main Agreement, *'The above provision will not affect existing arrangements at establishments'* will be removed.

18. Load Shedding:

It is agreed that the definition of short time will be amended to cater for the differentiation between planned or foreseen load shedding as opposed to unplanned or unforeseen load shedding.

This means that where short time has not been implemented in response to planned or foreseen load shedding and employees report for work and are sent home by the employer, they will be entitled to 8 hours payment.

19. Section 37:

The Parties agree that, subject to the full and final settlement clause hereunder, Section 37 remains unchanged.

20. Full and Final Settlement:

The 1 July 2014 to 30 June 2017 MEIBC Settlement Agreement amends existing terms and conditions of employment, of all employees covered by the Main Agreement, and is in full and final settlement of wages and conditions of employment for the period of the agreement.

Conditions of employment that are not amended by this agreement shall continue to apply.

It is agreed that the above provision will not affect existing company-level agreements. Furthermore, in the case of such existing company-level agreements, only party trade unions registered with the Bargaining Council will be entitled to engage with employers at company level.

Furthermore, it is agreed that the future of industry collective bargaining and the effectiveness of Section 37, as set out in **Annexure E**, will during the currency of this agreement be discussed in the Industry Policy Forum.

21. Set-off:

It is agreed that employers who have implemented wage increases with effect from 1 July 2014 are entitled to offset the increases against the increases agreed in this settlement agreement.

- 22.** It is agreed that in relation to matters referred to various Bargaining Council Forums for further deliberation, the Parties reserve their rights in relation to the Bargaining Council's Constitution and the Bargaining Council's Dispute Resolution Policy.

Signed in Johannesburg on ²⁹~~27~~ July 2014:



For the Steel and Engineering Industries Federation of Southern Africa (SEIFSA) on behalf of:

- Association of Electrical Cable Manufacturers of South Africa
- Association of Metal Service Centre of South Africa
- Cape Engineers' and Founders' Association
- Constructional Engineering Association (South Africa)
- Electrical Engineering and Allied Industries' Association
- Electrical Manufacturers' Association of South Africa
- Gate and Fence Association
- Hand Tool Manufacturers' Association
- KwaZulu-Natal Engineering Industries 'Association
- Lift Engineering Association of South Africa
- Light Engineering Industries' Association of South Africa
- Non-ferrous Metal Industries' Association of South Africa
- Eastern Cape Engineering and Allied Industries Association
- Pressure Equipment Manufacturers' Association of South Africa
- Refrigeration and Air Conditioning Manufacturers' and Suppliers' Association
- S.A. Electro-Plating Industries' Association
- S.A. Engineers' and Founders' Association
- S.A. Fastener Manufacturers' Association
- S.A. Refrigeration and Air Conditioning Contractors' Association
- S.A. Post Tensioning Association
- S.A. Pump Manufacturers' Association
- S.A. Reinforced Concrete Engineers' Association
- S.A. Valve and Actuator Manufacturers' Association


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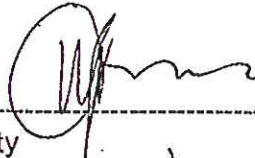
National Employers' Association of South Africa (NEASA)

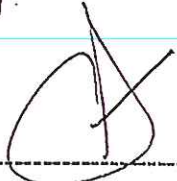
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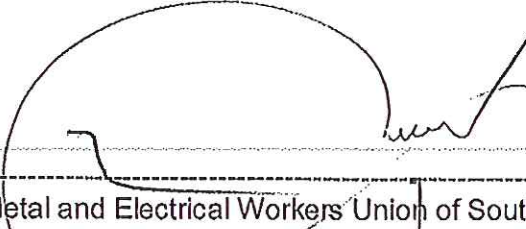
Border Industries Employers' Association (BIEA)


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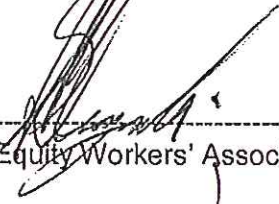

National Union of Metalworkers of South Africa (NUMSA)


Solidarity


United Association of South Africa (UASA - The Union)


Metal and Electrical Workers Union of South Africa (MEWUSA)


Chemical, Energy, Paper, Printing, Wood, and allied Workers Union (CEPPWAWU)


SA Equity Workers' Association (SAEWA)