

NATIONAL TEXTILE BARGAINING COUNCIL

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CIRCULAR 06/2020 COVID-19 UIF

08 April 2020

**TO: ALL EMPLOYERS IN THE TEXTILE MANUFACTURING INDUSTRY AND
ALL COVID-19 SUB-CLAUSE 2.3 COMPANIES**

Dear Sir/Madam

UPDATE ON UNEMPLOYMENT INSURANCE FUND (UIF) DEVELOPMENTS AND GUIDANCE TO COMPANIES

This industry circular provides an update to the industry of developments relating to the implementation of the Textile Bargaining Council's COVID-19 Lockdown Collective Agreement.

This circular is intended to provide the industry with the latest information, in order to help guide business decision-making under the current difficult circumstances.

1. UIF Funding application

The Textile Bargaining Council has successfully consolidated all Textile Industry wage schedules received and sub-clause 2.3 UIF wage schedule information, successfully converted it into the required UIF ICT format and has successfully submitted the applications to the UIF.

In total, we have lodged a combined UIF claim for 146 textile industry companies covering a total of 11 267 textile industry employees.

In addition, we have lodged a combined UIF claim for 2 sub-clause 2.3 companies from which we have received the required information, covering a total of 393 employees.

Our COVID-19 Rapid Response Team had approved 2 such sub-clause 2.3 companies to date.

Our total UIF claims lodged in terms of the bargaining council's COVID-19 Lockdown Agreement, therefore, covers 148 companies employing a total of 11 660 employees.

We confirm that the NBC for clothing industry has distributed its own industry circular.

2. Receipt of worker funds from the UIF

The governance matters related to the receipt of UIF monies are set out in Clause 3 of the Textile Bargaining Council's COVID- 19 Lockdown Collective Agreement.

To date, the following developments have taken place:

Regarding sub-clause 3.2 of our COVID-19 Lockdown Collective Agreement

The Memorandum of Understanding (MOU) Agreement with the UIF has not been finalised between the NTBC and the UIF due to the signatories not being available in terms of clause 3.4, due to the lockdown, to open an independent bank account for the purposes of the UIF, and as such implement clause 3.3 of the COVID-19 Lockdown Agreement, with the Clothing Bargaining Council.

Regarding sub-clause 3.4 of our COVID-19 Lockdown Collective Agreement:

The dedicated bargaining council bank account into which UIF monies are to be deposited on receipt will be the Clothing Bargaining Council dedicated bank account and its bank confirmed details have been successfully lodged with the offices of the UIF Commissioner, Mr Tebohogo Maruping, on Friday 27 March 2020.

Regarding other provisions of Clause 3 of our COVID-19 Lockdown Collective Agreement:

We are now awaiting receipt of the UIF Funds, following which disbursements to all qualifying textile and sub-clause 2.3 applicant companies will be effected, within 24 hours of receipt, for disbursement to employees.

Thereafter, all reporting processes and procedures as envisaged in Clause 3 of the Textile Bargaining Council's COVID-19 Lockdown Collective Agreement will be implemented and according to the timelines envisaged therein.

We had expected to receive the UIF funds by 06 April 2020, but regrettably this has not yet materialised. We are in contact with the Office of the UIF Commissioner regarding developments concerning this matter. We suspect that the delay is simply due to the sheer volume of applications received by the UIF (there are 1.8 million companies registered on the UIF database), including from companies outside of our industry.

On, 7 April 2020 and on the invitation of the NBCCI, Council's Chairperson, Mrs Marthie Raphael, the Chief Director (Corporate Services) of the UIF, Advocate Mzie Yawa, directly briefed the clothing COVID- 19 Lockdown Collective Agreement Co-Ordinating Committee during their teleconference meeting held at 08h30 on 07 April 2020.

In summary, the update from Advocate Yawa indicated that we can still expect to receive the UIF funds for which we have applied, during the course of this week, anytime from 08 April 2020. He has reconfirmed this in a subsequent teleconference meeting which was held at 13h00 on 07 April 2020 with the clothing industry.

3. Wage Payments to Employees

In terms of the provisions of sub-clause 4.1 of the Textile Bargaining Council's COVID-19 Lockdown Collective Agreement, payment to employees on Friday 3 April 2020 was to be effected as follows:

Week ending 05 April 2020:

- (a) Deferred wages payable by the employer, for work performed during the week preceding the lockdown with;
- (b) the balance made up from worker funds received from the U/F, should the start of the lockdown period have occurred before a full week's work was performed".

The lockdown officially commenced at midnight on Thursday 26 March 2020.

Based on wage schedule information received from all applicant companies, most companies are due to pay industry employees for 4 days for deferred wages, for work already performed during the week in which the lockdown had officially commenced.

The balance of companies worked for less than 4 days during the week that the lockdown had officially begun, but mainly due to their pay week ending either on a Monday, a Tuesday, or a Wednesday.

Accordingly, all employees were supposed to be paid their deferred wages for work already performed during the week that the lockdown had officially begun. If your company has not yet done so, you are kindly urged to do so immediately, to avoid acting in breach of the Council's Gazetted Main Agreement and hence, illegally.

It is very important that we comply with the payment commitments as set out in our COVID-19 Lockdown Collective Agreement, as the agreement imposes strict governance accountability and auditing requirements.

The balance of worker funds due from the UIF for that period of the week during which the lockdown had officially begun (week ending 05 April 2020 of the Council's COVID-19 Lockdown Collective Agreement) and during which no work had been performed, should be paid to employees as soon as it is received by yourselves, expected during the course of this week.

In terms of sub-clause 4.1 of the Bargaining Council's COVID-19 Lockdown Agreement, wage payments due on Friday this week (or Thursday this week as Friday is a public holiday), is to be effected as follows:

Week ending 12 April 2020:

“A full week's wages payable by the employer”.

All companies are accordingly requested to proceed with their payroll preparations in order to give effect to the week ending 12 April 2020 payment requirements, as per the COVID-19 Lockdown Collective Agreement- as stated above.

Please note that this week's wage payments ("week ending 12 April 2020") are not dependent on worker funds received from the UIF. We, therefore, do not expect any delays in effecting worker wage payments at the end of this week.

This obviously excludes those companies which pay fortnightly and or monthly, and for which the next wage payment is only due on Friday 17 April 2020 and at the end of April 2020 respectively.

4. Monthly paid and salaried employees

During the negotiations for the COVID-19 Lockdown Collective Agreement, the parties acknowledged that the status of UIF claim permissibility of salaried staff employees who are not council levy paying employees clause 4.9 after constructive engagements held between the parties, the employers decided that all the textile employers shall apply directly to the UIF for such category of employees.

5. Other

We shall continue to issue regular information circulars to the industry in order to provide you with the latest updated information, as developments unfold.

The Signatory Parties to the Textile Bargaining Council's COVID-19 Lockdown Agreement extend their appreciation for your kind support during this very difficult period in our Industry and in our country.

“United together, let's build our industry, our country and our continent”.

Yours Sincerely
National Textile Bargaining Council



Hans Brouwer
Chairperson



Alvan Pillay
Secretary