

# NATIONAL TEXTILE BARGAINING COUNCIL

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## **CIRCULAR 07/2020 COVID-19 UIF**

15 April 2020

**TO: ALL EMPLOYERS IN THE TEXTILE MANUFACTURING INDUSTRY AND  
ALL COVID-19 SUB-CLAUSE 2.3 APPLICANT 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, since our last circular dated 09 April 2020.

As per our previous circular of 09 April 2020, this updated circular is also intended to provide the industry with the latest factual information, in order to help guide real-time business decision-making under the current difficult circumstances.

#### **1. UIF Funding application**

On Saturday 11 April 2020, the National Chairperson of the Clothing Bargaining Council (NBC), Mrs Marthie Raphael, wrote to the UIF Commissioner, Teboho Maruping, to raise concerns about the delay in the receipt of the worker UIF monies.

For ease of reference, a copy of the NBC's National Chairperson's letter of 11 April 2020 to the UIF Commissioner is attached hereto, as an Annexure to this textile industry circular.

The NBC's National Chairperson did convene a Clothing Co-ordinating Committee meeting on the morning of 13 April 2020 at 08H30, and reported that she had received a reply from the UIF Commissioner on the night of 12 April 2020. She reported that the written reply from the Commissioner states as follows:

*“Good evening colleagues;*

*I am appealing for your patience. All that needs to be done has been done to process the claims received. The requirements for audit purposes are stringent and we have to take reasonable care to make sure we have done all we can.*

*We are finalising our processes and payments will be done starting from Tuesday the 14th of April 2020.*

*Kind Regards*

**Teboho Maruping |Unemployment Insurance Fund |Commissioner|Department of Labour  
UIF Head Office |Absa Building Cnr of Pretorius and Lillian Ngoyi Street|Pretoria | Gauteng  
Tel: +27 12 337 1885/1880| Fax: 012 337 1945...”**

As at last night (Tuesday 14 April 2020), no worker UIF Funds had yet been received.

Accordingly, we advise that we are now still awaiting receipt of the worker UIF funds, as per the above written response from the UIF Commissioner, whereafter it will be disbursed to qualifying companies to transmit to employees.

*This morning, Wednesday, 15 April 2020, the National Chairperson of the Clothing Bargaining Council (NBC), Mrs Marthie Raphael, again wrote to the UIF Commissioner, Teboho Maruping, to raise concerns about the delay in the receipt of the worker UIF monies.*

*For ease of reference, a copy of the NBC’s National Chairperson’s letter of 15 April 2020 to the UIF Commissioner is attached hereto, as an Annexure to this textile industry circular.*

At this stage, it is unclear when the funds would be received.

As at close of business on 14 April 2020, the NTBC has submitted claims to the UIF for 171 textile companies, covering 12 860 textile employees.

## **2. Wage payments to employees**

- (a) 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, 10 April 2020 was to be effected as follows:

*“Week 2 ending Sunday 05 April 2020: A full week’s wages, payable by the employer”.*

All companies were, in our circular 06/2020, accordingly requested to proceed with their payroll preparations in order to give effect to the week 2 payment requirements as per the COVID-19 Lockdown Collective Agreement – as above.

In our previous industry circular 06/2020, we pointed out that “Week 2’s” wage payments were not dependent on worker funds received from the UIF and, therefore, did not expect any delays in effecting worker wage payments as at the end of that week (i.e. by Friday 10 April 2020).

This obviously excluded those companies which pay fortnightly and for which the next wage payment is only due on Friday 17 April 2020.

It has been brought to our attention that there are still a few textile companies which have not yet paid employees the wages which was due to be paid to them by employers, on Friday 10 April 2020. We urge those few companies which have not yet done so, to do so immediately.

- (b) 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 17 April 2020 is to be effected as follows:

*“Week 3 ending Sunday 12 April 2020: A full week’s wages, payable from worker funds received from the UIF”.*

All companies are, accordingly, requested to proceed with their payroll preparations in order to give effect to the week 3 payment requirements, as per the COVID-19 Lockdown Collective Agreement - as above.

This means that companies are kindly requested to submit these “Week 3” wage schedules to the bargaining council offices, on email addresses as specified on the next page, by 09h00 on Thursday, 15 April 2020, unless your company has already done so.

We appeal that those companies which are able to do it sooner, should do so, in order to help minimise the administration processing burden on the bargaining council. For those companies who have already submitted the claim as per circular 05/2020, we thank you for your submission.

Please note that, as per UIF submission requirements, the new wage schedules need to include the banking details of all employees appearing on the wage schedules as per our circular 03/2020.

For ease of reference and to clarify some confusion which appears to have emerged, we summarise the complete wage payment cycle for the 3-week period as enshrined in the provisions of sub-clause 4.1 of our COVID-19 Lockdown Collective Agreement, as well as for the preceding week, as follows:

<b>Week ending</b>	<b>Work period</b>	<b>Payment day</b>	<b>Payable by</b>
29 March 2020	16-22 March 2020	27 March 2020	Employer, for work already performed
05 April 2020	23-29 March 2020	03 April 2020	Employer to pay for work already performed, plus UIF to pay the balance
12 April 2020	30 March 2020 – 05 April 2020	10 April 2020	Employer to pay from own funds
17 April 2020	06-12 April 2020	17 April 2020	Employer to pay for Public holidays, and UIF to pay the balance

We remind companies that wage schedules are to be submitted to the specified email address only. In this regard, the email address where it should be submitted to, is as follows:

[covid19fund@ntbc.org.za](mailto:covid19fund@ntbc.org.za)

Please note that those non-party textile companies which are not covered by the registered scope of the NTBC and which have been admitted to the UIF transmission services of the textile bargaining council as

per the provisions of sub-clause 2.3 of our COVID-19 Lockdown Collective Agreement, are also required to submit their wage schedules to email address:

[covid19fund@ntbc.org.za](mailto:covid19fund@ntbc.org.za)

### **3. 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 needed to be urgently clarified.

This matter was dealt with as per the provisions of sub-clause 4.9 of the NTBC's COVID-19 Lockdown Collective Agreement.

After constructive engagements held between the trade union and employer parties, the employers proposed that all the textile employers should apply directly to the UIF for such category of employees. The trade union accepted the employers' proposal.

### **4. 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.

We specifically request the trade union and the employer parties to keep their constituencies briefed about these developments, specifically where delays are anticipated.

We request that the parties do so timeously.

Once again, 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.

We recognise that our COVID-19 Lockdown Collective Agreement is historically and globally unique (i.e., it is the only the second one of its kind in the whole world, after the clothing industry's similar such collective agreement).

This means that it is not perfect and there will of course, in consequence, be some practical implementation hitches as we proceed.

Yours Sincerely  
National Textile Bargaining Council



Hans Brouwer  
Chairperson



Alvan Pillay  
Secretary

(sent electronically)