22 April 2020

IMPORTANT NEWSFLASH: TREATMENT OF MIBCO PAYMENTS DURING APRIL 2020 FOR PAYROLL PURPOSES

Most of the RMI Members will be preparing their payrolls for April 2020 over the next few days and in view of numerous queries we are receiving regarding payments due to MIBCO, we wish to confirm again what the liabilities for employers are during this period.

Employers that have employees registered with the Motor Industry Bargaining Council must remit the following payments to MIBCO on a periodic basis (weekly or monthly):

1. MIBCO levies;
2. Trade union subscriptions (for employees belong to NUMSA or MISA);
3. Provident fund contributions, which entails deducting 7,5% from the employee's wages and adding 8% employer contributions, per employee.
4. Additional holiday pay (bonus) for journeymen, BA journeymen, exempted journeymen and apprentices; and
5. Sick, Accident and Maternity Pay Fund contributions (for those employees registered on the Fund) – the contribution is payable by the employer.

PLEASE NOTE:
Deductions for the employees' portions of these payment, in the case of items 1, 2 and 3, may only however occur if the employee has **worked at least 23 hours in the week** for which the contributions are deductible / payable. In the event that an employee has worked less than 23 hours, **no deductions are made and no payments are owing to MIBCO** in respect of such an employee for that particular week (for both employer and employee portions).

Employees will typically work less than 23 hours in a week if they are on short time (in terms of clause 4.6 of the Main Agreement), on partial lay-off or absent without leave / unpaid sick leave.

Sick-, Accident- and Maternity Pay Fund (SAF) - With effect from 27 April 2020, participating Members in this fund will enjoy financial relief for a period of 13 weeks, without forfeiture of benefits for participating employees. This will impact on the MIBCO forecast for May 2020.

Motor Industry Provident Fund and Autoworkers Provident Fund - As regards on-going contributions to the **Motor Industry Retirement funds** after lockdown has been suspended, we are pleased to advise that the Boards of Trustees for the Funds have approved rule changes that will permit Members to make application for financial relief for a period of up to 6 months. These applications will be dealt with on an individual basis and based on various criteria including financial distress. At this point it would appear that the Financial Services Conduct Authority (FSCA) will not allow blanket exemptions for financial relief. The rule changes are, however, subject to approval by the FSCA, which approval is expected within the next week or so. Once finalized, we will communicate to Members-the process to follow in applying for such financial relief.

If you have any questions of queries, please do not hesitate to contact any one of the RMI's IR Specialists, deployed throughout the country.