

2021-04-08

To:- All Members of the RMI

Dear Valued Member,

SUPPLEMENTARY NOTICE

MOTOR INDUSTRY BARGAINING COUNCIL (MIBCO) MAIN AGREEMENT – EARNINGS THRESHOLD

In addition to the correction notice issued on 31 March 2021 (which you can access here: <https://rmi.org.za/publication-of-the-main-agreement-important-correction-notice/>), kindly take notice of the following:

Clause 1(3)(a) of Division A of the Motor Industry Main Agreements determines the earnings threshold to be R205 433,30 from the date of implementation, until 31 August 2022, subject to a 5,5% annual increase or as amended by the Basic Conditions of Employment Act (BCEA). **The effect of this clause is that the Main Agreement threshold will never exceed that of the BCEA.**

It is important to note that the Main Agreement was originally intended to be implemented in 2020, which would either have caused the 5,5% increase to the earnings threshold or alignment with the BCEA. **The threshold has therefor increased by less than the agreed 5.5% and will remain at its present rate until such time as when the BCEA threshold is amended again.**

On 8 February 2021, the earnings threshold in terms of the BCEA was increased to R211 596,30 and on 29 March 2021, the Main Agreement was implemented. That consequently means that the current earnings threshold for the motor industry was aligned with the BCEA and currently is **R211 596,30 until 31 August 2022**, or whenever the BCEA threshold is amended again, whichever comes later.

Members are encouraged to acquaint themselves with the impact that the Main Agreement threshold has on employees earning in excess of the prescribed rate. Only a very limited number of Main Agreement provisions applies to these employees (refer to the schedule under clause 1(3)(a) of the Main Agreement).

All queries in this regard can be directed at any one of the RMI IR Specialists, deployed throughout the RMI's Regional Offices.

Yours faithfully,

For and on behalf of the RETAIL MOTOR INDUSTRY ORGANISATION



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