

22 May 2023

Dear Valued Member,

**AUTOWORKERS PROVIDENT FUND (AWPF) AND MOTOR INDUSTRY PROVIDENT FUND (MIPF): PUBLICATION OF ENACTED COLLECTIVE AGREEMENTS**

In a NewsFlash dated 17 April 2023, Members were reminded that employees earning **below** the current salary threshold of R241 110.59 per annum are obliged to hold membership in one of the MIBCO Provident Funds:-

- The AWPF, which is confined to employees in the Job Grades 1 – 6.
- The MIPF which applies to Division B employees (office, stores, sales and clerical), Grades 7 and 8 employees, as well as Apprentices.

Membership of a fund is compulsory where an employee is earning below the salary threshold and is not exempted by MIBCO of belonging to the fund by virtue of belonging to an alternative retirement scheme that offers equal or better benefits.

Those employees earning **above** the threshold are entitled to apply for voluntary membership of a fund through their employer.

Since then, the Auto Workers Provident Fund Collective Agreement was enacted on 5 May 2023 and became effective from Monday, 15 May 2023 and shall remain in place until 31 August 2025 (Government Gazette 48518 Notice 3368).

The Motor Industry Provident Fund Collective Agreement will become effective from Monday, 22 May 2023 and shall remain valid until 31 August 2023 (Government Gazette 48571 Notice 3395). Both agreements have been extended to non-parties in the Motor Industry.

Members are urged to take note of the following provision:-

*“Pensionable remuneration” means the amount which an employer would normally and/or regularly pay to an employee, either weekly or monthly, in respect of the ordinary hours required to complete either a full normal week or month, as the case may be, and does not include remuneration which an employee who is employed on a piece work basis receives over and above the amount he would have received if he had not been employed on such basis, but includes commission received on the sale of goods; provided, however, that all commission received in excess of R11 336.44 per month shall be excluded, unless the employer and employee jointly agree that contributions shall be paid on commission earnings in excess of the aforementioned limitation.*

This means, that when calculating the threshold at which membership of the Fund is compulsory, a maximum amount of R11 336.44 per month in sales commission should be added to the pensionable remuneration.

If you have any queries in this regard, please contact your local IR Specialist:

[IR Contacts - Retail Motor Industry Organisation \(rmi.org.za\)](http://rmi.org.za).

Regards,



**JEFF MOLEFE**  
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