



# Annual Wage Increases

## Details of the industry wage increases effective from 1 July 2010

**June 2010**

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Reg. No. 1949/034221/08

## **METAL INDUSTRY WAGE INCREASES**

SEIFSA is pleased to announce that the industry's annual wage increases effective from 1 July 2010 have been finalised in accordance with the wage model agreed with the trade unions in 2008. The increases range from 7.1% at Rate A to 8.1% at Rate H. **There are no further changes to employment conditions.**

The agreed increases for all grades and sectors have been calculated by reference to the following wage model:

- *“The April 2010 (year-on-year) CPIX equivalent index, i.e. CPI OER (excluding owners' equivalent rent) for Rates A to H or the gazetted rates, whichever is the greater (i.e. of 7.1% to 8.1% for Rates A to H respectively).”*
- Because the CPI OER figure for April 2010 was 4.9%, the agreed minimum increases of 7.1% to 8.1% for Rates A to H have been applied.

### **Wage increases finalised**

The wage increases detailed in Appendix A must be implemented by all member companies from 1 July 2010.

### **No other changes to current employment conditions**

SEIFSA is pleased to report that there are no further changes to employment conditions for this fourth year of the four year agreement and that all other terms and conditions of employment remain unchanged.

### **Publication of the New Agreement**

The bargaining council is preparing the new agreement and will be submitting it to the Department of Labour with a request that the Minister of Labour publish and make it legally binding on all employers and scheduled employees in the industry (effective from 1 July, 2010).

### **Wage exemptions**

The industry's current wage exemption procedure continues to apply. A company that is unable to implement the agreed wage increase may submit an application to its local Regional Council for exemption to implement a lesser wage increase than that detailed in Appendix A.

**The wage exemption procedure is outlined in Appendix B**

A company wishing to apply for an exemption must refer to the SEIFSA Management Brief 'Wage Increase Exemptions' containing the pro-forma wage exemption application questionnaire and management guidelines.

Management is reminded that all wage increase exemption applications **must be lodged with the bargaining council by 31 July, 2010**. This means that companies wishing to apply for exemption must do so without delay and at least by 31 July, failing which the trade unions may refuse to consider any such late applications.

**Members experiencing any difficulty in implementing the new wage increases should contact the staff of SEIFSA's Industrial Relations Services for advice and assistance.**

## APPENDIX A

### SCHEDULE OF WAGE INCREASES EFFECTIVE FROM 1 JULY 2010

#### 1. General Wage Increases

Rate	Current Minimum Wage Rate R c	Increase on Actuals and Scheduled Wage Rates	Increase on Scheduled Wage Rates R c	New Minimum Wage Rates R c
A	42.34	7.10%	3.01	45.35
AA(6)	40.07	7.18%	2.88	42.95
AA(start)	37.97	7.27%	2.76	40.73
AB	35.94	7.35%	2.64	38.58
B	34.05	7.43%	2.53	36.58
C	32.49	7.52%	2.44	34.93
D	31.54	7.60%	2.40	33.94
DD	28.98	7.68%	2.23	31.21
DDD	27.46	7.77%	2.13	29.59
E	25.99	7.85%	2.04	28.03
F	24.66	7.93%	1.96	26.62
G	23.30	8.02%	1.87	25.17
H	22.06	8.10%	1.79	23.85
<b>Whichever is the greater personal increase</b>				

#### 2. Electric Cable (Schedule F)

Rate	Current Minimum Wage Rate R c	Increase on Actuals and Scheduled Wage Rates	Increase on Scheduled Wage Rates R c	New Minimum Wage Rates R c
Rate Z	42.34	7.10%	3.01	45.35
Rate Y	33.08	7.20%	2.38	35.46
Group IX	31.17	7.30%	2.28	33.45
VIII	30.15	7.40%	2.23	32.38
VII	29.01	7.50%	2.18	31.19
VI	27.95	7.60%	2.12	30.07
V	26.87	7.70%	2.07	28.94
IV	25.81	7.80%	2.01	27.82
III	25.09	7.90%	1.98	27.07
II	24.16	8.00%	1.93	26.09
I	23.40	8.10%	1.90	25.30
<b>Whichever is the greater personal increase</b>				

#### 3. Structural engineering

Rate	Current Minimum Wage Rate R c	Increase on Actuals and Scheduled Wage Rates	Increase on Scheduled Wage Rates R c	New Minimum Wage Rates R c
5	42.34	7.10%	3.01	45.35
4	38.33	7.35%	2.82	41.15
3	32.71	7.60%	2.49	35.20
2	26.63	7.85%	2.09	28.72
1	22.06	8.10%	1.79	23.85
1(a)	18.20	8.10%	1.47	19.67
<b>Whichever is the greater personal increase</b>				

**4. Apprentices**

Year	Current Minimum Wage Rate per Week	Increase on Actual Rates	Weekly Increase on Minimum Rates	New Minimum Weekly Wage Rates
First Year	R 837	7.10%	59.00	896.00
Second Year	R 923	7.10%	66.00	989.00
Third Year	R 1100	7.10%	78.00	1178.00
Fourth Year	R 1629	7.10%	116.00	1745.00
<b>Whichever is the greater personal increase</b>				

**5. Five Grade Schedule**

Grade	Current Minimum Wage Rate R c	Increase on Actual and Scheduled Wage Rates	Increase on Scheduled Wage Rates R c	New Minimum Wage Rates R c
5	42.34	7.10%	3.01	45.35
4	36.47	7.10%	2.59	39.06
3	31.40	7.10%	2.23	33.63
2	27.04	7.10%	1.92	28.96
1	23.29	7.10%	1.65	24.94
<b>Whichever is the greater personal increase</b>				

**6. Vehicle Drivers**

Rate	Main Agreement Symbol	Current Wage Rate R c	Increase on Actual and Scheduled Rates	Increase on Scheduled rates R c	New Minimum Wage Rates R c
Forklift drivers	F	24.66	7.93%	1.96	26.62
Code 08	E	25.99	7.85%	2.04	28.03
Codes 10 & 11	DD	28.98	7.68%	2.23	31.21
Codes 13 & 14	C	32.49	7.52%	2.44	34.93
<b>Whichever is the greater personal increase</b>					

**7. Gate and Fence Manufacturing (Division D/7)**

Rate	Current Minimum Wage Rate R c	Increase on Actual and Scheduled Wage Rates	Increase on Scheduled Wage Rates R c	New Minimum Wage Rates R c
B	22.13	7.43%	1.64	23.77
C	21.28	7.59%	1.61	22.89
D	20.84	7.72%	1.61	22.45
DDD	20.70	7.77%	1.61	22.31
E	20.67	7.74%	1.60	22.27
F	19.73	7.93%	1.56	21.29
G	18.66	8.02%	1.50	20.16
H	16.56	8.10%	1.34	17.90
<b>Whichever is the greater personal increase</b>				

**8. Annexure H: Special Provisions Related to Construction Sites covered by a Project Labour Agreement (PLA)**

<b>Grade</b>	<b>Current Minimum Wage Rate R c</b>	<b>Increase on Actual and Scheduled Wage Rates</b>	<b>Increase on Scheduled Wage Rates R c</b>	<b>New Minimum Wage Rates R c</b>
<b>5</b>	42.34	7.10%	3.01	45.35
<b>4</b>	38.33	7.35%	2.82	41.15
<b>3</b>	32.71	7.60%	2.49	35.20
<b>2</b>	26.63	7.85%	2.09	28.72
<b>2(a)</b>	21.88	7.90%	1.73	23.61
<b>1</b>	13.50	8.10%	1.09	14.59
<b>1(a)</b>	12.21	8.10%	0.99	13.20
<b>Whichever is the greater personal increase</b>				

## WAGE EXEMPTION PROCEDURE

**Important note for management:**

It is important to note that wage increase exemption applications must be lodged with the bargaining council on or before 31 July 2010.

The industry's current wage exemption procedure continues to apply. Any company that is unable to implement the full wage increase may make application to its local Regional Council to implement wage increases of a lesser amount than those agreed.

If the application is rejected then an appeal may be immediately lodged with the bargaining council's Exemption and Arbitration Board which is an independent body established in terms of the Labour Relations Act.

The wage exemption procedure is detailed hereunder:

- Individual companies seeking exemption to pay a lesser wage increase must complete the wage exemption application form available on request from the local Regional Councils. It is vital that companies utilise the standard application form to expedite the exemption process.
- Companies seeking exemption must consult their employees on the intention to apply for exemption and the application should contain details and proof of this consultation process. It is important to note that the employees' view on the application is not decisive but merely one of the factors that the Council and Board will take into account when considering the application.
- The exemption application must be accompanied by relevant financial information supporting the motivation for the proposed exemption.
- The application must be lodged with the local Regional Council as soon as possible (but by no later than 31 July 2010)
- The proposed exempted wage increase should be implemented by the company until the exemption process has been concluded, after which any adjustments must be applied retrospectively from date of application of the agreement (i.e. if the exemption is refused, then the full agreed wage increase will apply from 1 July 2010).
- The Regional Council will make a decision on the exemption application. Where the exemption is rejected then an appeal may be lodged with the Exemption and Arbitration Board.