



National Office

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INDUSTRY CIRCULAR

To : All Employers and Employees in the Metal and Engineering Industry Covered by the Scope of Application of the Consolidated Main Agreement **BUT** Excluding Employers and Employees Covered by the Plastic Industries Main Collective Agreements

From : The Office of the Council Secretary

Date : Wednesday, 07 December 2022

Subject : Annual Shutdown, Calculation of Leave Pay and Leave Enhancement Pay

Industry Circular No : 2022/09

ANNUAL SHUTDOWN (CLAUSE 16)

- The dates of the annual shutdown are determined by the firm's management; however, the shutdown must take place as close as possible to the previous year's shutdown, as stipulated in Clause 16 of the agreement.
- The three consecutive weeks' paid leave must be taken over an unbroken period and must include four weekends. In addition, the three weeks' leave must be extended with full pay for each public holiday which falls during the shutdown period and which would otherwise have been an ordinary working day.

This year, depending on the start of the annual shutdown, the following public holidays fall into this category:

- 16 December '22 (Friday) – Day of Reconciliation;
- 26 December '22 (Monday) – Day of Goodwill;
- 1 January '23 (Sunday and moves to Monday 2 January) – New Year's Day

There is no Government publication as yet that declares 27 December 2022 to be a public holiday. Once such is issued, an amended circular will be circulated accordingly.

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CALCULATION OF LEAVE PAY (CLAUSE 12) AND LEAVE ENHANCEMENT PAY (CLAUSE 14)

All employees are entitled to their full leave pay and leave enhancement pay (bonus) on completion of 236 shifts worked on a five-day week basis or 284 shifts on a six-day week basis, excluding overtime.

CALCULATING SHIFTS FOR PURPOSES OF LEAVE PAY AND LEAVE ENHANCEMENT PAY

A maximum of 236 shifts (5-day week) or 284 shifts (6-day week) may be worked during a single year and are calculated as follows:

	5-Day Week	6-Day Week
Number of days in a year	365	365
Minus: Saturdays and Sundays	105*	52
Three weeks' annual leave (working days)	15	18
Public holidays	9*	11
Total number of shifts	236	284

Employees who have not worked all available shifts during the year are entitled to pro-rata leave pay and a pro-rata leave enhancement pay:

*** This year there were 53 Saturdays**

*** This year there were two public holidays falling on a Saturday (1 January and 24 September)**

LEAVE QUALIFYING SHIFTS

	5-day week worker	6-day week worker
Minimum number of shifts to be worked	236 shifts	284 shifts
Minimum number of shifts to be worked before pro-rata leave pay and leave enhancement pay is paid upon: - Termination - Resignation	10 shifts 20 shifts	13 shifts 25 shifts
Marine work and turnaround work upon: - Termination - Resignation	no minimum 20 shifts	no minimum 25 shifts

Periods of absence because of sickness counting towards leave qualification purposes (provided that an employer may call upon the employee for a medical certificate in proof of cause of absence).	43 shifts	52 shifts
Periods of absence falling within the scope of the COIDA Act.	Full number of shifts during absence.	
Absences while on the additional week's paid leave or accumulated additional leave.	Periods of absence whilst on this additional paid leave count as shifts worked.	
Periods of absence on account of lay-offs totaling no more than 8 weeks.	Full shifts.	
Absences whilst on family responsibility leave (Clause 42 of the Main Agreement)	<u>Shifts do not count</u>	
Absences while on a protected strike (Section 64 of LRA)	Full number of shifts while on a protected strike.	
Short Time (Clause 7)	<p>Short shifts worked whilst working short time shall count as shifts actually worked. Employees working 24 hours or more, spread over three or four days, and employees on a three-shift system working three or four shifts per week, shall:</p> <ul style="list-style-type: none"> • Be credited with the full shifts for an ordinary week for purposes of the paid leave referred to in this clause, for up to three (3) months in any calendar year; and • Thereafter, be credited with one additional shift per week over and above those shifts actually worked for purposes of the paid leave referred to in this clause. 	
Time off for training of shop stewards and for trade union office bearers to attend union meetings (Clause 46)	Full shifts in respect of leave of absence granted.	
Time off for representatives of party trade unions who act as trustees of the industry benefit funds (MIBFA) or who are office	Full shifts in respect of leave of absence granted.	

bearers of the MERSETA Metal and Plastics Chambers. (Clause 47)	
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An employee who worked all available shifts from the first day after the previous year's annual shutdown up to and including the last shift preceding the current shutdown is entitled to full leave pay and leave enhancement pay (bonus).

An employee qualifies for an additional week's paid leave from his fourth and subsequent consecutive periods of annual leave and, by mutual arrangement between the employer and employee, the annual shutdown may be extended by an extra week or the employee may be paid out the monetary value of this extra week's leave. Alternatively, and again by mutual agreement, the extra week's leave may be accumulated until the employee qualifies for three such weeks' paid leave.

In cases where employees are required to undertake essential work during the shutdown, the relevant MEIBC regional office must be advised of the names of these employees, and the reasons thereof, at least one month in advance. Such employees must be given their paid leave within four months of the date of the shutdown.

CALCULATING LEAVE PAY AND LEAVE ENHANCEMENT PAY (BONUS)

Full (or pro-rata) leave pay and leave enhancement pay are calculated as follows:

FORMULA TO CALCULATE LEAVE PAY

Normal weekly wage rate (excluding allowances)	X	3 weeks (4 weeks where employee is entitled to additional leave)	X	<u>number of shifts worked</u> 236 shifts (five-day week worker) or 284 shifts (six-day week worker)
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FORMULA TO CALCULATE LEAVE ENHANCEMENT PAY (BONUS)

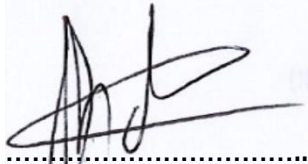
Normal weekly wage rate (excluding allowances)	X	52 weeks	X	8.33%	X	<u>number of shifts worked</u> 236 shifts (five-day week worker) or 284 shifts (six-day week worker)
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PLEASE NOTE: NON-PARTY EMPLOYERS I.E., EMPLOYERS WHO ARE NOT A MEMBER OF AN EMPLOYER'S ORGANISATION THAT IS A SIGNATORY TO THE MAIN COLLECTIVE AGREEMENT ARE ONLY REQUIRED TO CALCULATE LEAVE PAY AND LEAVE ENHANCEMENT PAY ON A PRO-RATE BASIS WITH EFFECT FROM DATE OF GAZETAL, NAMELY: 17 OCTOBER 2022

QUERIES

Should you have any queries regarding the contents of this circular, please contact an Agent at the Regional Office in your area.

Region	Contact number
Gauteng Regional Office	011 639 8000
Tshwane Regional Office	012 320 2566
Midlands Regional Office	041 586 1542
Cape Regional Office	021 421 6140
KZN Regional Office	031 305 4761
Free State Regional Office	057 352 4142


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Sicele Nduna
Council Secretary