



CIRCULAR

Date issued: 04 December 2018

SUBJECT: ANNUAL SHUTDOWN, CALCULATION OF LEAVE PAY AND LEAVE ENHANCEMENT PAY

This circular applies only to employers who are members of the following employers' organisations who are signatories to the Settlement Agreement dated 23 August 2017 covering wages and other conditions of employment:

ASSOCIATION OF ELECTRIC CABLE MANUFACTURERS' OF SOUTH AFRICA
ASSOCIATION OF METAL SERVICE CENTRES OF SOUTH AFRICA
CONSTRUCTIONAL ENGINEERING ASSOCIATION
CAPE ENGINEERS' AND FOUNDERS' ASSOCIATION
EASTERN CAPE ENGINEERING AND ALLIED INDUSTRIES ASSOCIATION
ELECTRICAL ENGINEERING AND ALLIED INDUSTRIES' ASSOCIATION
ELECTRICAL MANUFACTURERS ASSOCIATION OF SOUTH AFRICA
GATE AND FENCE ASSOCIATION
HANDTOOL MANUFACTURERS' ASSOCIATION
IRON AND STEEL PRODUCERS' ASSOCIATION OF SOUTH AFRICA
KWA-ZULU NATAL ENGINEERING INDUSTRIES' ASSOCIATION
LIFT ENGINEERING ASSOCIATION OF SOUTH AFRICA
LIGHT ENGINEERING INDUSTRIES' ASSOCIATION OF SOUTH AFRICA
NON-FERROUS METAL INDUSTRIES' ASSOCIATION OF SOUTH AFRICA
PLUMBERS AND ENGINEERS BRASSWARE MANUFACTURERS' ASSOCIATION
PRESSURE EQUIPMENT MANUFACTURERS ASSOCIATION OF SOUTH AFRICA
REFRIDGERATION AND AIR CONDITIONING MANUFACTURERS' AND SUPPLIERS' ASSOCIATION
SOUTH AFRICAN ELECTRO-PLATING INDUSTRIES' ASSOCIATION
SOUTH AFRICAN PUMP MANUFACTURERS ASSOCIATION
SOUTH AFRICAN REFRIDGERATION AND AIR CONDITIONING CONTRACTORS' ASSOCIATION
SOUTH AFRICAN REINFORCED CONCRETE ENGINEERS' ASSOCIATION
SOUTH AFRICAN VALVE AND ACTUATOR MANUFACTURERS' ASSOCIATION; and

Please note that this circular does not apply to employers who are members of non-signatory employers' organisation.

NATIONAL EMPLOYERS ASSOCIATION OF SOUTH AFRICA
SOUTH AFRICAN ENGINEERS AND FOUNDERS ASSOCIATION
CONSOLIDATED EMPLOYERS ORGANISATION
PLASTIC CONVERTORS ASSOCIATION OF SOUTH AFRICA

1. 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:

Monday 17 December Sunday)	(in lieu of the Day of Reconciliation 16-12-18 being a
Tuesday 25 December	Christmas Day
Wednesday 26 December	Day of Goodwill
Tuesday 1 January 2019	New Year's Day

2. 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 234 shifts worked on a five-day week basis or 283 shifts on a six-day week basis, excluding overtime.

CALCULATING SHIFTS FOR PURPOSES OF LEAVE PAY AND LEAVE ENHANCEMENT PAY

A maximum of 234 shifts (5-day week) or 283 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	104	52
Three weeks' annual leave (working days)	15	18
Public holidays	12	12
Total number of shifts	234	283

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:

LEAVE QUALIFYING SHIFTS

	5-day week worker	6-day week worker
Minimum number of shifts to be worked	234 shifts	283 shifts
Minimum number of shifts to be worked before pro-rata leave pay and leave enhancement pay is paid upon:		
- Termination	10 shifts	13 shifts
- Resignation	20 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 totalling 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)	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: <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 bearers of the MERSETA Metal and Plastics Chambers. (clause 47)	Full shifts in respect of leave of absence granted.	

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

$$\begin{array}{l} \text{Normal weekly wage} \\ \text{rate} \\ \text{(excluding allowances)} \end{array} \times \begin{array}{l} 3 \text{ weeks} \\ \text{(4 weeks where employee} \\ \text{is entitled to additional} \\ \text{leave)} \end{array} \times \begin{array}{l} \text{number of shifts worked} \\ 234 \text{ shifts (five-day week} \\ \text{worker) or 283 shifts (six-day} \\ \text{week worker)} \end{array}$$


FORMULA TO CALCULATE LEAVE ENHANCEMENT PAY (BONUS)

$$\begin{array}{l} \text{Normal weekly wage rate} \\ \text{(excluding allowances)} \end{array} \times 52 \text{ weeks} \times 8.3\% \times \begin{array}{l} \text{number of shifts worked} \\ 234 \text{ shifts (five-day week} \\ \text{worker)} \\ \text{or 283 shifts (six-day week} \\ \text{worker)} \end{array}$$

Queries

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

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