

HAIRDRESSING AND COSMETOLOGY SERVICES BARGAINING COUNCIL

(semi national)

HAIRDRESSING AND COSMETOLOGY INDUSTRY PROVIDENT FUND COLLECTIVE AGREEMENT

**in accordance with the provisions of
the Labour Relations Act No. 66 of 1995,
as amended and
the Pension Funds Act 24 of 1956
as amended**

Certified a true copy,

JULIAN WOOD
Principal Officer of the Fund
August 2008

P O Box 1964, Roodepoort, 1725
Tel: (011) 760 1685

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**HAIRDRESSING AND COSMETOLOGY
INDUSTRY PROVIDENT FUND
COLLECTIVE AGREEMENT**

**in accordance with the provisions of the Labour Relations Act,
No. 66 of 1995, as amended**

ENTERED INTO BETWEEN THE :

**Employers' Organisation for Hairdressing, Cosmetology & Beauty
(EOHCB)
(*"the employers' organisation"*)**

AND THE :

**Afro Hair & Beauty Employers' Association of South Africa
(AHBEASA)
(*"the employers' organisation"*)**

AND THE :

**UASA-The Union
(*"the union"*)**

WHO ARE PARTIES TO THE :

**Hairdressing and Cosmetology Services
Bargaining Council
(semi national) (HCSBC)
(*"the council"*)**

IN THE :

*Hairdressing and Cosmetology Services Industry
(*"the industry"*)*

TO ESTABLISH A :

PROVIDENT FUND AGREEMENT

**TO REGULATE the Terms and Conditions of Membership
of the HAIRDRESSING AND COSMETOLOGY INDUSTRY PROVIDENT
FUND**

1. SCOPE OF APPLICATION OF AGREEMENT

1.1 The terms of this Agreement must be observed in the industry in :

- 1.1.1 "area 1" the Provincial Districts of the Province of Gauteng (excluding Pretoria, Wonderboom and Cullinan);
- 1.1.2 "area 2" the Magisterial Districts of Klerksdorp and Potchefstroom;
- 1.1.3 "area 3" the Magisterial Districts of East London and Port Alfred;
- 1.1.4 "area 4" the Magisterial Districts of Port Elizabeth, Uitenhage and Humansdorp;
- 1.1.5 "area 5" the Provincial Districts of the Province of the Free State and Kimberley.
 - 1.1.1.1 all employers who are members of the employers' organisation/s; and
 - 1.1.1.2 all employees who are members of the trade union, and
 - 1.1.1.3 all proprietors of 1-man shows (with no employees).

The terms of this Agreement shall also apply to learner hairdressers.

2. PERIOD OF OPERATION OF AGREEMENT

This Agreement shall come into operation on the date of signature by the parties, and shall remain in force until the Fund is dissolved at any time by its own resolution to that effect.

3. TERMS OF THE AGREEMENT

The terms of this agreement shall apply to all employers who employ members of the union referred to in clause 1.1 above, in the magisterial districts referred to therein.

4. APPLICATION OF THE AGREEMENT

This agreement applies to the employers referred to in clause 3 only to the extent required by clause 7 of this Agreement

5. MEMBERSHIP

- 5.1 Subject to the provisions of clause 1 of this Agreement, membership of the Fund is compulsory for :
 - 5.1.1 every learner; and
 - 5.1.2 every employee employed in the Industry who has not reached retirement age; and

- 5.2 Every employee for whom membership is compulsory in terms of 5.1 of this agreement must:
- 5.2.1 complete the form prescribed in Schedule 1 to this Agreement and lodge such completed form with the Principal Officer of the Council within 30 consecutive days after the date on which he/she enters, re-enters or becomes employed in the Industry;
 - 5.2.2 when required to do so by the Fund, furnish such evidence and information as may be necessary for purposes of establishing his or her:
 - a) identity;
 - b) membership of the Fund; or
 - c) right to any benefit arising out of membership of the Fund.

6. TERMINATION OF MEMBERSHIP

The Management Committee has the right to terminate the membership of a member for any reason it deems appropriate, with the changes required by context. *In the event of termination, the member will be advised in writing of the proposed termination, and will then have the right to appeal this termination by submitting a letter to the Principal Officer, within 30 (thirty) days of receipt of the Committee's termination letter, stating his reason/s why he is appealing.*

7. CONTRIBUTIONS

- 7.1 Every employee for whom membership of the Fund is compulsory must contribute 2,5% of their pensionable remuneration to the Fund for each month of employment in the industry.
- 7.2 The contributions payable in terms of clause 7.1 must be calculated and rounded off to the nearest Rand value. Portions of a Rand amounting to 49 cents or less must be discarded. Portions of a Rand in excess of 50 cents must be rounded up to the next Rand value.
- 7.3 The contributions specified must be deducted by the employer from every employee's wage on the first pay day after this Agreement comes into operation, and on each pay day thereafter.
- 7.4 Every employer must contribute an equal amount to the amount deducted in terms of clause 7.2 .
- 7.5 The total amount of contributions deducted from the earnings of employees and contributed by employers must be paid each month to the Council. Each payment must be shown on a written statement containing the following details:
- 7.5.1 the name, initials and computer identification number of each employee;
 - 7.5.2 the amount of contribution remitted in respect of each employee;
 - 7.5.3 the date on which each employee's service commenced, or terminated.

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- 7.6 Every employer must pay the total amount of contributions, and render the statement of details in terms of clause 7.5, to the Council by not later than the 7th day of the following month immediately following that to which the contributions and details relate. The postal address of the Fund is P.O. Box 1964, Roodepoort, 1725.
- 7.7 Forms prepared specifically for the furnishing of the details required by this clause may be obtained from the Principal Officer of the Fund.
- 7.8 If a member wishes to do so, that member may make voluntary additional contributions to the Fund greater than that specified in clause 7.1.
- 7.8.1 Should a member make additional contributions greater than that specified in clause 7.1 the increased contribution amount must remain **FIXED** for a MINIMUM period of 6 (six) months from the date of the change.
- 7.8.2 Should an employee increase their contributions their employer is **NOT** obliged to match the increased contribution, but is only liable to pay the prescribed contribution in terms of 7.1 above.
- 7.8.3 Any additional contributions made by members in terms of 7.8 are NOT refundable, except in terms of benefits payable under the Rules of the Fund.
- 7.9 Contributions paid by employers as prescribed in clause 7.4, and by employees, as provided for in clause 7.8, are **not** refundable, except in terms of benefits payable under the Rules of the Fund.
- 7.10 If any contributions due in terms of the Rules of the Fund as stipulated in Section 13 of the Pension Funds Act, 1956 are not paid over to the Council on the date due the employer must pay interest thereon at the prescribed rates as published in the Government Gazette dated 26th February 2006. These rates are as follows:
- 1) Transactions < R10000: Repo rate + 1/3 thereof + 11 percentage points (currently 27%)
 - 2) Transactions > R10000: Repo rate + 1/3 thereof + 8 percentage points (currently 24%)
- 7.11 The contributions collected by the Council in terms of this agreement shall be paid over to the Fund within 7 days after receipt thereof.
- 7.12 Minimum information as stipulated in Regulation 33 of the Pension Funds Act, 1956 must be submitted to the Fund on a monthly basis which shall consist of at least the following:
- (a) Contribution statement
 - (i) Name of the Fund, period in respect of which the contribution is payable
 - (ii) Name and address of the employer

- (iii) Full name, date of birth, ID number, date of membership, pensionable emoluments and percentage or amount of contributions, split between member and employer as well as identification of any additional voluntary contributions paid.
- (iv) A reconciliation with the contribution statement for the previous period showing any differences as a result of membership terminations, adjustments as a result of changes in pensionable emoluments or the payment of additional voluntary contributions or other information and corrections due to error.

8. ADMINISTRATION

- 8.1 The Fund must be administered in accordance with Rules approved by the Board members established in terms of the Rules, Constitution and Operation of the Fund. The Rules must not be inconsistent with this Agreement, the Labour Relations Act, No. 66 of 1995, as amended, or the Pension Funds Act 24 of 1956, as amended. A copy of the Rules and details of any amendments thereto must be lodged with the Registrar of Labour Relations - at the Department of Labour -. the Commission for Conciliation, Mediation and Arbitration, the Financial Services Board and South African Revenue Services.
- 8.2 In the event of the dissolution of the Fund during the operation of this Agreement, it shall be dealt with as provided for in Section 28 of the Pension Funds Act 24 Of 1956 as amended.

9. AGENTS

A designated agent is authorised to enter an establishment, make and complete enquiries, and examine such books, documents and wage register/s as such agent might require. The agent may do everything necessary to ascertain whether the provisions of this Agreement are being observed and complied with. No employer or employee may obstruct or hinder an agent in the performance of these duties. Should a false declaration be made to the designated agent during their execution of these duties, by either an employer or an employee, the appropriate criminal proceedings will be instituted.

10. EXEMPTIONS

- 10.1 Subject to the provisions of the Labour Relations Act, No. 66 of 1995, as amended, the Bargaining Council may grant exemption from any provision of this Agreement in the manner and to the extent set out in clause 33 of the Bargaining Council's Constitution, which is set out in "Annexure G" to the Main Collective Agreement for the sake of convenience.
- 10.2 Clause 30 of the Main Collective Agreement, with the exception of clause 30.2, and eliminating any reference to the independent body referred to in

clause 30, applies to exemptions under this Agreement, with the changes required by context.

11. PROTECTION OF BENEFITS

The benefits of the Fund are protected in accordance with the provisions of section 37A and B of the Pension Funds Act, 1956, as per the RULES, Rule 12.4:

12.4(1) *All benefits and rights to benefits in terms of these RULES are subject to the prohibitions as to reduction, cession, attachment, etc. contained in sections 37A and 37B of the ACT.*

12.4(2) *Subject to RULE 12.6, any benefit payable regarding a deceased MEMBER by the FUND, does not form part of the assets in the estate of such a MEMBER."*

12. RECORD KEEPING

Every employer must keep a copy of this Agreement available in the workplace at all times.

13. DISSOLUTION OF THE FUND

As defined in terms of Section 28 of the Pension Act 24 of 1956, as amended. (Also refer to Hairdressing and Cosmetology Industry Provident Fund rules section 12.16.)

14. PROCEDURE FOR DISPUTES

In a dispute regarding the interpretation of the RULES or the ADMINISTRATION of the FUND, the complainant must submit his/her complaint to the FUND in writing. Within thirty days of receipt of the complaint the FUND must answer in writing. If the complainant is not satisfied with the FUND's answer and the complaint is a complaint as defined in the ACT, the complainant may lodge the complaint with the Pension Funds Adjudicator.

SIGNED at Roodepoort on this the ___ day of AUGUST 2008.

1. BY THE EMPLOYEE PARTY TO THIS AGREEMENT:

TRUSTEE

TRUSTEE

2. BY THE EMPLOYER PARTIES TO THIS AGREEMENT :

TRUSTEE

TRUSTEE

3.

CHAIRMAN OF THE FUND