



## Wage Exemption Application Form

### NOTE:

This application must be submitted to the nearest Regional Office of this Council as set out on the last page of this document.

### APPLICATION FOR EXEMPTION FROM PAYING ACTUAL / GUARANTEED WAGE INCREASES

Indicate the Sector or Chapter of the Council's Agreement in respect of which this exemption is applied for e.g. Sector 1, Sector 2 etc. If required, a separate application form must be completed for every different sector.

<b>1. GENERAL INFORMATION</b>					
1.1. Trading name of Employer as registered with the Council:					
1.2. Is your company a party (a member of the RMI or FRA) or a non-party (not a member of either organisation)? <i>[Mark with an X]</i>					
RMI		FRA		Non-party	
1.3. Street Address:					
1.4. Postal Address:					
1.5. Email Address:					
1.6. Telephone No.:				Fax No.	
1.7. Name of the owner / director / manager of company:					
1.8. Motivation of application:					
<i>[If this space is inadequate, continue on a separate page]</i>					



1.10. What is the total number of employees in your employ?

1.11. Attach to this application a list of all employees employed by the establishment with their written acknowledgement (by signature) that they have been consulted as required in terms of the criteria in the Main Agreement (Annexure 'A', page 3).

1.12. Kindly attach to this application, a detailed audited financial statement and/or formal financial information as follows:

- (a) In the case of an establishment registered as a Proprietary Limited business:
  - (i) Audited Financial Statements for the past three (3) years
  - (ii) A projected cash flow budget as per Annexure "B"
  - (iii) The completed checklist as per Annexure "C"
  - (iv) Completed financial ratio analysis as per Annexure "D"
  
- (b) In the case of an establishment registered as a Close Corporation, the financial information that was signed off by the Accounting officer and the CC Members as well as the Financial Statements for the past three years; and
  
- (c) In the case of an establishment registered as a Sole Proprietor:
  - (i) The latest Audited Financial Statements and Cash flow Statements;
  - (ii) The Cash flow Statements for the past two years, as usually supplied to a financial institution;
  - (iii) Sworn Affidavit confirming the correctness of the financial information
  - (iv) A projected cash flow budget as per Annexure "B"
  - (v) The completed checklist as per Annexure "C"
  - (vi) Completed financial ratio analysis as per Annexure "D"

I HEREBY DECLARE THAT THE ABOVE PARTICULARS ARE CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF

Signed at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_\_

\_\_\_\_\_  
Signature of Employer



**ANNEXURE 'B'**

**Projected income statement for the next 12 months (from the period of application i.e. 12 months from August/September.**

**NOTE:**

THIS STATEMENT MUST INCLUDE ALL PROJECTED INCOME AND EXPENDITURE EXPECTED TO BE INCURRED IN THE NEXT YEAR, THE SALARIES AND WAGES MUST BE INCLUDED AS IF INCREASES HAVE BEEN GIVEN.

	R
Projected Sales	
Projected Cost of Sales (excluding salaries & wages)	
Projected Gross profit on trading	
Projected other income (specify)	
Expenditure (Budgeted or expected)	
Advertising	
Auditor's remuneration	
Bad debts	
Bank charges	
Cleaning and refreshments	
Commission paid	
Computer expenses	
Debt collection fees	
Depreciation	
Director's emoluments	
Discount allowed	
Donations, fines and penalties	
Insurance	
Lease rentals	
Levies	
Motor vehicle expenses	
Printing and stationery	
Repairs and maintenance	
Salaries and wages	
Security	
Staff welfare	
Subscriptions	
Telephone and postage	
Travel and entertainment	
Other (Please specify)	
1).....	
2).....	
3).....	
4).....	
5).....	
Total projected expenditure	
Operating (loss)/profit before taxation	
Taxation	
(Loss)/profit after taxation	

## ANNEXURE 'C'

Entity Name Legal: \_\_\_\_\_

Entity Type: \_\_\_\_\_

Number of employees: Permanent \_\_\_\_\_ Contract \_\_\_\_\_

[Mark **N/A (Not Applicable)**, **YES** or **NO** with an **X**]

1.	Have the application form and Annexures been completed in full and appropriately supported with supporting documentation?	N/A	YES	NO
2.	Is the application properly motivated/letter of motivation attached?	N/A	YES	NO
3.	Have full details been provided about the previous wage increases received by employees as per section 1.9 of the application form? (at least column 1 – 5 completed in full)	N/A	YES	NO
4.	Are all employees listed on Annexure A to the Wage Exemption Application Form, and have all such employees signed the Annexure A to the application form?	N/A	YES	NO
	If not, Number of employees..... Number who signed.....			
5.	Has proof of consultation been provided?	N/A	YES	NO
6.	Has the establishment submitted ALL the financial information required by section 1.11 of the application form for the particular type of legal entity?	N/A	YES	NO
7.	Have financial statements been signed off by the accounting officer/external auditor as applicable?	N/A	YES	NO
8.	Have financial statements been signed off by the members/directors/shareholders as applicable?	N/A	YES	NO
9.	Do the financial statements contain any qualifications/disclaimers of opinion?	N/A	YES	NO
10.	Are financial statements current? (i.e. for the entity year end ending during the year of application)	N/A	YES	NO
11.	Have projections been provided for the 12 month period as from the period of application i.e. current projections? (refer to Annexure B to the application form or similar attachment)	N/A	YES	NO
12.	Has the application form been appropriately signed and dated?	N/A	YES	NO

Notes for clarification to any negative responses above:

**ANNEXURE 'D'**

Kindly complete the information below from the annual financial statements. All required information can be obtained from the statement of income and expenditure, the balance sheet and the cash flow statement as applicable. Ratios, which are indicated in grey, will be calculated and are for official use only.

Values should be listed in the same denomination as the annual financial statements.

Financial Year Ending				
Annual financial statements	Year 1	Year 1	Year 1	Projection included
Revenue from Sales				
Cost of sales				
Gross Profit				
GP %				
Net Income before Tax				
Net profit margin				
Increase/decrease in turn over				

**Balance Sheet:**

Non-current assets				
Current assets				
Capital and Reserves				
Non-current liabilities				
Current liabilities				
Net increase/ decrease in cash and equivalents				
Inventory				
Current ratio				

**LIST AND DETAILS OF MIBCO REGIONAL OFFICES**

<p><b>EASTERN CAPE REGION</b>  P.O. BOX 7270  PORT ELIZABETH  6055  TEL: (041) 364-0250  Enquiries: Mr L. Palmer  Leslie.Palmer@mibco.org.za</p>	<p><b>KWA-ZULU NATAL REGION</b>  P.O.BOX 17263  CONGELLA  4001  TEL: (031) 205-5465  Enquiries: Mr N. Nyuswa  Sphelele.Nyuswa@mibco.org.za</p>
<p><b>FREE STATE / N.CAPE REGION</b>  P.O.BOX 910  BLOEMFONTEIN  9300  TEL: (051) 409-4000  Enquiries: Mr L. Palmer  Leslie.Palmer@mibco.org.za</p>	<p><b>HIGHVELD REGION</b>  P.O.BOX 2578  RANDBURG  2125  TEL: (011) 369-7750  Enquiries: Mr P. Masemola  Paulos.Masemola@mibco.org.za</p>
<p><b>NORTHERN REGION</b>  P.O.BOX 13970  HATFIELD  0028  TEL: (012) 362-2988  Enquiries: Mr J. Naude  Johan.Naude@mibco.org.za</p>	<p><b>WESTERN PROVINCE REGION</b>  P.O.BOX 17  BELLVILLE  7535  TEL: (021) 948-6400  Enquiries: Mr G. Basson  Gerrie.Basson@mibco.org.za</p>

**Regional Offices can also be contact on the MIBCO National Call Centre Number: 0861 664 226**

**Guidelines on how to complete your Application for Exemption from Actual/Guaranteed Wage  
Increases – 07<sup>th</sup> April 2014**

**1. The Application form**

This is created in a specified format. Should you need to attach further documents kindly maintain the current format and ensure you have noted the number of additional annexures you have attached in your application/motivation letter so that we may ensure that the application is complete prior to being presented before the Wage Exemption Board.

**2. Motivation for the application**

The Employer should be able to supply written reasons together with sufficient supporting documents to ensure a satisfactory motivation.

Important points to note:

- 2.1 Where ever possible the reasons that are supplied should have a corresponding supporting document
- 2.2 The motivation supplied should also be carried forth into the “proof of consultation” requirement in that, the Employees should be duly informed of the issues that have resulted in this application and given the opportunity to address these.
- 2.3 There should never be different reasons supplied in the motivation to those supplied in the proof of consultation.

**3. The supporting Financial information**

**3.1 Common errors found –**

- a) Providing unaudited financial statements instead of audited
- b) Not providing the complete set of audited financial statements.
- c) Not providing audited financial statements for 3 years as required.
- d) Not providing detailed income statements.
- e) Not including the projection.
- f) Inadequate information provided in projection.
- g) Projection provided but it does not make sense. No thought process employed in determining projection.
- h) Excluding the audit report (for a PTY LTD) or the accounting officer’s report (for a CC).
- i) Missing pages within Financial Statements

**3.2 In order for this application to be considered, please ensure the following information is included for the following types of establishments:**

### **3.2.1 Proprietary Limited company (PTY LTD)/Limited Company (Ltd):**

- a) Complete sets of Audited Financial Statements for the past three (3) years. A signed audit report and detailed income statements must be included.
- b) A projected income statement as per **Annexure "B"**. The projection must make sense when compared to previous years. A thought process must be followed in determining the projection.
- c) The completed checklist as per **Annexure "C"**. The document must be adequately understood and completed.
- d) Completed financial ratio analysis as per **Annexure "D"**. ALL information must be provided. The income statement items must be verified against the information provided in **Annexure "B"**.
- e) Balance Sheet information must make sense, and the Balance Sheet must balance, meaning that the Assets must equal the total of the Liabilities added to the Capital and Reserves.

### **3.2.2 Close Corporation (CC):**

- a) Complete sets of Financial Statements for the past three (3) years, signed off by the Accounting Officer. The signed Accounting Officer's report and the detailed income statements must be included.
- b) A projected income statement as per **Annexure "B"**. Ensure that this projection makes sense when compared to previous years. A thought process must be followed in determining the projection.
- c) The completed checklist as per **Annexure "C"**. Ensure this document is adequately understood and completed.
- d) Completed financial ratio analysis as per **Annexure "D"**. Ensure ALL information is provided. The income statement items must be verified against the information provided in **Annexure "B"**.
- e) Balance Sheet information must make sense, and the Balance Sheet must balance, meaning that the Assets must equal the total of the Liabilities added to the Capital and Reserves.

### **3.2.3 Sole Proprietor/Partnership:**

- a) Complete sets of Financial Statements for the past three (3) years. Ensure that the financial statements are signed by the sole proprietor/partners and the detailed income statements are included.

- b) The Cash flow Statements for the past two years, as usually supplied to a financial institution.
- c) Sworn Affidavit confirming the correctness of the financial information.
- d) A projected income statement as per **Annexure "B"**. Ensure that this projection makes sense when compared to previous years. A thought process must be followed in determining the projection.
- e) The completed checklist as per **Annexure "C"**. Ensure this document is adequately understood and completed.
- f) Completed financial ratio analysis as per **Annexure "D"**. Ensure ALL information is provided. The income statement items must be verified against the information provided in **Annexure "B"**.
- g) Balance Sheet information must make sense, and the Balance Sheet must balance, meaning that the Assets must equal the total of the Liabilities added to the Capital and Reserves.

#### **4. The Proof of Consultation**

Adequate proof of consultation should be a copy of the minute/s of all relevant meetings held with the affected employees setting out the following:

- a) A list of all the people present at the meeting and the capacity in which they attended
- b) All employees must either be present or duly represented in the proof of consultation that is inclusive of non-union members.
- c) All issues & proposals made by employees and/or employee representatives must be responded to by employer and where the employer does not agree with them the employer must state his reason for not agreeing.
- d) The motivation for which the Employer is seeking exemption must correspond with the information supplied to the Employees prior to the submission of the application
- e) All background information with the exception of individual employee wages, relevant to the employer's intention to apply for exemption from wage increases (actual/guaranteed) must be disclosed to employees during the consultation meeting.

**The following does not constitute adequate consultation:**

- a) A register with signatures of all employees present (except for Provident Fund Exemption Applications)
- b) Copies of notifications of the intended effect of the exemptions being placed on Notice Boards

Please note that “adequate proof of consultation” does not mean that the Employees **have to consent** to the Employer’s Application. Proof of consultation is purely for the purpose of showing that the Employees are aware of the Employer’s intentions and have been given an opportunity to voice their opinions. The relevant minutes and the Employees agreement or not, to the issues raised is just one of the factors reflected upon when considering these applications.





**Wage Exemption Board Submission Summary**

**Checklist to the Wage Exemption Application Form**

**\*All Wage Exemption Applications must have this Checklist duly filled in by the Employer attached to the application\***

Entity Name Legal: .....

Entity Type: .....

Number of employees: Permanent ..... Contract .....

1	Have the application form and ALL Annexures been completed in full and appropriately supported with supporting documentation?	N/A	Yes	No
2	Is the application properly motivated/letter of motivation attached?	N/A	Yes	No
3	Has full detail been provided about the previous wage increase received by employees as per section 1.9 of the application form? (at least column 1 – 5 completed in full)	N/A	Yes	No
4	Are all employees listed on Annexure A to the Wage Exemption Application Form, and have all such employees signed the Annexure A to the application form? If not, Number of employees..... Number who signed.....	N/A	Yes	No
5	Has proof of consultation been provided?	N/A	Yes	No
6	Has the establishment submitted <b>ALL</b> the financial information required by section 1.12 of the application form for the particular type of legal entity?	N/A	Yes	No
7	Have financial statements been signed off by the accounting officer/external auditor as applicable?	N/A	Yes	No
8	Have financial statements been signed off by the Auditors/Accounting Officers/members/Owners/Partners/directors/shareholders as applicable?	N/A	Yes	No
9	Do the financial statements contain any qualifications/disclaimers of opinion?	N/A	Yes	No
10	Are financial statements current? (i.e. for the entity year end ending during 2014/5)	N/A	Yes	No
11	Have projections been provided for the 12 month period as from August/September 2015 i.e. current projections? (refer to <b>Annexure B</b> and <b>Annexure D</b> to the application form or similar attachment)	N/A	Yes	No
12	Has the application form been appropriately signed and dated?	N/A	Yes	No

Notes for clarification to any negative responses above



**Wage Exemption Board Submission Summary**

**Checklist to the Wage Exemption Application Form**

Kindly complete the information below from the annual financial statements. All required information can be obtained from the statement of income and expenditure, the balance sheet and the cash flow statement as applicable. Ratios, which are indicated in grey, will be calculated and are for official use only.

Values should be listed in the same denomination as the annual financial statements (in the case for the annual financial statements are listed in thousands of Rand's complete as R '000.00).

<b><u>Annual financial statements indicators</u></b>	<b>Financial Year Ending</b>			<b><u>Projection included</u></b>
	<b><u>20....</u></b>	<b><u>20....</u></b>	<b><u>20....</u></b>	
Revenue from Sales				
Cost of sales				
Gross Profit				
GP %				
Net Income <b><u>before</u></b> Tax				
Net profit margin				
Increase/decrease in turn over				

**Balance Sheet**

Non-current assets				
Current assets				
Capital and Reserves				
Non-current liabilities				
Current liabilities				
Current ratio				
Net increase/(decrease) in cash and equivalents				
Inventory				