

Terms and Conditions of Training Layoff Scheme

1 Purpose and interpretation of Training Layoff Agreement

1.1 This document sets out the terms and conditions that apply to a training layoff agreement concluded to allow employers and employees to participate in a training layoff scheme as an alternative to retrenchment.

1.2 In order to be eligible to participate in the training layoff scheme

1.2.1 the employer must –

1.2.1.1. be in economic distress due to the economic situation;

1.2.1.2. be contemplating the retrenchment of employees;

1.2.1.3. have the potential of becoming sustainable through short term relief;

1.2.1.4. be compliant with its statutory obligations.

1.2.2 the employees must –

1.2.2.1. be at risk of being retrenched by the employer due to the economic situation;

1.2.2.2. have received annual remuneration of not more than R180000;

1.2.2.3. be placed on a full layoff contemplated to last for a continuous period of at least four weeks or a partial layoff (short-time) of at least 2 days a week (or 16 days) contemplated to last for at least eight weeks.

- 1.3 To the extent provided for in the Training Layoff Agreement, the Agreement has the effect of suspending the rights and obligations of the employer and the listed employees in terms of the contracts of employment of those employees for the period of the training layoff.
- 1.4 The Training Layoff Agreement is not a settlement agreement as contemplated in the Labour Relations Act, 66 of 1995 and may not be made an arbitration award in terms of section 142A or an order of the Labour Court in terms of section 158(1)(c) of the said Act.
- 1.5 If the Training Layoff Agreement is signed by a trade union on behalf of the employees, the agreement is a collective agreement as contemplated in the Labour Relations Act, 66 of 1995.
- 1.6 The Training Layoff Agreement must be interpreted in the light of this clause and with due regard to the Framework for South Africa's Response to the International Economic Crisis, the Guide to the Training Layoff Scheme and the Training Layoff Implementation Guide issued by the Department of Labour.
- 1.7 This document is incorporated into the Training Layoff Agreement, except to the extent that it has been expressly varied in the Training Layoff Agreement in a manner consistent with the documents referred to in clause 1.6.
- 1.8 Subject to clause 1.7, any reference to the Training Layoff Agreement includes a reference to this document.
- 1.9 If the Training Layoff Agreement has not been concluded under the auspices of the CCMA, a certified copy of the agreement must be submitted to the CCMA.
- 1.10 If the implementation of the layoff scheme would breach any provision of a bargaining council collective agreement or sectoral determination binding on the parties to this agreement, the employer must within 3 working days from the signing of the agreement, apply to the relevant

authority for exemption and submit a copy of the application to the Regional Offices of the CCMA.

- 1.11 For the purposes of determining whether the employee meets the remuneration threshold for inclusion in a training layoff scheme, regard must be had to the employee's remuneration in the preceding tax year calculated in terms of the Unemployment Insurance Contributions Act, 4 of 2002.

2 Employer's rights and obligations during Training Layoff

During the period of the training layoff, the employer –

- 2.1 is not required to pay any remuneration to the listed employees, except as provided for in the Training Layoff Agreement;
- 2.2 must release the employees on layoff from their normal employment functions and allow them to attend the training agreed upon;
- 2.3 must pay all contributions (i.e. both the employer's and the employees' contribution) of the basic social security package to which the employees are entitled at the time of the commencement of the training layoff scheme;
- 2.4 must ensure that an accurate record of attendance by employees participating in the training is maintained;
- 2.5 must submit a certified copy of the attendance register to the relevant SETA on a weekly basis;
- 2.6 must keep the original attendance record and allow them to be inspected by a representative of the relevant SETA.

3 Employees' rights and obligations during Training Layoff

- 3.1 During the period of the training layoff, the listed employees –
 - 3.1.1 remain in the employment of the employer but are not entitled to receive their normal remuneration;

- 3.1.2 will receive, if they are on full layoff, an allowance equal to 50% of the employee's basic wage, subject to a maximum allowance of R6239.00 per month (R2880.00 per fortnight or R1440.00 per week);
 - 3.1.3 will receive, if they are on short-time, a proportionate allowance as specified in the agreement;
 - 3.1.4 must participate in training at the time and place agreed by the parties, or when training is available, and sign an attendance register at least once a day;
 - 3.1.5 must complete the training agreed upon within the specified time; and undergo any test associated with the training;
 - 3.1.6 will receive their basic social security package (the employer will pay all contributions) for the duration of the training layoff period;
 - 3.1.7 will only receive additional social security benefits, by agreement between the parties;
 - 3.1.8 may not be retrenched whilst participating in the training layoff scheme; and
 - 3.1.9 remain entitled to receive board and occupy accommodation that are provided in terms of their contract of employment.
- 3.2 Participation in the training layoff does not interrupt the continuity of service of the listed employees and for the purposes of determining their length of service for any purpose, including the calculation of severance pay in terms of the Basic Conditions of Employment Act, 75 of 1997 or any agreement, the employees are deemed to have been employed on their normal terms and conditions of employment during the period of the training layoff.
- 3.3 A listed employee who at any stage during the training layoff period communicates that he or she no longer wishes to participate in the

training layoff scheme, loses the benefit of the Training Layoff Agreement.

3.4 An employee who resigns during the training layoff period –

3.4.1 must be treated in accordance with his or her terms and conditions of employment, read with the provisions of the Training Layoff Agreement to the extent that they are applicable to the employee

3.4.2 will not be entitled to receive the training layoff allowance after the date on which the resignation takes effect.

4 Payment of allowance and deductions

4.1 The employee will be paid the allowance in a manner specified in the agreement between the SETA and the employer.

4.2 No deductions may be made from the employees' allowances unless permitted in terms of the Agreement or required in terms of any law or by an order of Court.

4.3 The Agreement may authorise the deduction from the allowance of a listed employee's contribution to additional social security benefits (i.e. those social security benefits that do not form part of the basic social security benefits package).

5 Transfer of business as a going concern

If a transfer contemplated in section 197 of the Labour Relations Act, No 66 of 1995, occurs during the training layoff period, the rights and obligations in terms of the Training Layoff Agreement are transferred to the new employer in terms of section 197 and the employer must give a copy of the Training Layoff Agreement to the new employer.

6 Discipline during the Training Layoff period

- 6.1 The disciplinary rules and procedures applicable to the parties at the commencement of the training layoff period apply during the training layoff period to the extent that they are appropriate.
- 6.2 Failure by an employee to attend training does not constitute a disciplinary offence. However, an employee is not entitled to receive the allowance for any day on which they do not attend training, unless they qualify for payment on that day as provided for in this Agreement.
- 6.3 Any disciplinary proceedings instituted, but not completed prior to the commencement of the training layoff period, are suspended and no time period in respect of such proceedings will run during the layoff period.
- 6.4 The time periods of any warnings issued to employees on layoff prior to the commencement of the training layoff period do not run during the training layoff period.

7 Paid leave

- 7.1 An employee's entitlement to annual leave, paid sick leave, family responsibility leave, maternity leave (as well as any other form of leave that the employee is entitled to in terms of any agreement) -
 - 7.1.1 that has accrued to the employee prior to the commencement of the training layoff remains to the credit of the employee;
 - 7.1.2 continues to accrue to the employee during the training layoff as if the employee was working.
- 7.2 An employee who on account of sickness or injury is absent from training will be entitled to receive paid sick leave at the level of the training allowance if the employee would have received paid sick leave had they been working. The normal rules concerning proof of incapacity apply.

- 7.3 An employee who takes annual leave or family responsibility leave during the training layoff will be paid the training allowance during any period of leave taken. For the purposes of calculating the employee's entitlement to family responsibility leave, the employee will be considered to have taken half of the period of family responsibility leave taken during the layoff.
- 7.4 An employee who commences maternity leave during the period of the Training Layoff must be treated for all purposes as if she was working when her maternity leave commences.
- 7.5 If a public holiday falls on a day on which the employees would otherwise receive training, the employees will receive their training allowance for that day.

8 Dispute resolution process

- 8.1 If the Training Layoff Agreement is a collective agreement and there is a dispute about the interpretation and application of the Agreement, any party to the dispute may refer the dispute to the CCMA for conciliation and arbitration in terms of section 24 of the Labour Relations Act, No 66 of 1995.
- 8.2 If the Training Layoff Agreement is not a collective agreement and there is a dispute about the interpretation and application of the Agreement, the parties agree –
- 8.2.1 that the CCMA may appoint a commissioner to conciliate the dispute; and
 - 8.2.2 to comply with any award made by the commissioner in terms of section 135(3)(c) of the Labour Relations Act, No 66 of 1995.
- 8.3 The parties agree that any dispute in terms of or arising out of the implementation of the Training Layoff Agreement may be set down by the CCMA on short notice on a date to be arranged with the parties,

provided that the parties will avail themselves for conciliation, mediation and arbitration, if necessary, of the dispute within seven (7) days from the date of the referral.

9 Further consultation or facilitation

The conclusion of this Agreement does not prevent the initiation or continuation of any consultation in terms of section 189 or any facilitation in terms of section 189A of the Labour Relations Act, No 66 of 1995 in respect of the listed employees during the period of the training layoff.

10 Assistance by CCMA

The parties may, by agreement, request the CCMA to appoint a commissioner to assist the parties by conciliation during any other process which may give rise to the retrenchment of employees participating in or coming out of a training layoff scheme. The parties agree that if the Training Layoff Agreement does not comply with all the requirements, further facilitation or conciliation may take place to ensure compliance.

11 Monitoring and reporting

If requested and unless protected by law¹, the parties will provide any information relevant to monitor the progress and success of the training layoff scheme to the CCMA, the SETA and the National Skills Fund, which may include the financial position of the employer, payroll reports, proof of compliance with statutory and agreed obligations, attendance records and the effect which the training layoff scheme has on the employer and the employees participating in the scheme.

12 Definitions

Unless otherwise indicated in the Agreement any word or phrase used in this document has the same meaning as in the Labour Relations Act, No 66 of 1995 or the Basic Conditions of Employment Act, No 75 of 1997 and -

¹ Information which is confidential or privileged.

- 12.1 “Agreement” means the Training Layoff Agreement and includes the list of employees annexed to the Agreement and this document;
- 12.2 “basic wage” is the wage or salary an employee receives for their ordinary hours of work and regular contractual overtime;
- 12.3 “basic social security package” means –
- (i) the employer and employee contributions to the Unemployment Insurance Fund calculated on the basis of the training allowance;
 - (ii) contributions provided for in the employees’ contract of employment to death and disability cover;
 - (iii) contributions provided for in the employees’ contract of employment to a pension or provident fund;
- 12.4 “listed employees” means the employees on layoff listed in terms of the Agreement.