



REPORT NO. 8 OF 2016

NATIONAL HEALTH LABORATORY SERVICE (NHLS)

18 July 2016

NHLS Salary Negotiations 2016/2017: Settlement Agreement

We can report that Hospersa met with the employer on 6 July 2016 to discuss broadening the **settlement agreement** to include all parties to the Bargaining Labour Relations Forum (BLRF). The settlement agreement was concluded in the afternoon 1 July 2016, following a marathon session on 28 June 2016 and a special Board meeting held on 29 June 2016. In order to avert a strike, the employer was forced to make significant and material compromises. It was indeed these compromises which facilitated the settlement agreement.

Still, there was some disagreement regarding the fact that the agreement was only signed with one of the trade unions, and the other unions requested an urgent meeting with the CEO to iron out any differences. It was, however, agreed that the agreement will be **broadened to include all parties**.

The employer then presented the **implementation plan** to parties, indicating the following practical challenges regarding the implementation of the settlement agreement for grade A-C:

1. The need for an **Oracle system update**, due to the change in pay structure, necessitating the implementation date to be postponed to **August 2016**;
2. The fact that the agreed 7,6% for grade A-C is on a new basic salary, which influences the system calculations of **various allowances**, such as shift, core skills, rural, retirement funding, and the like;
3. The **effective date** of the agreement being 1 April 2016, meaning that retrospective adjustment and correction of April, May, June and July 2016 of pay rate which will also impact retirement fund contributions;
4. The unbundling of the **living allowance** of R1 200 and subsequent increase with R300, which also necessitates a system update and retrospective adjustment from April 2016; and
5. The increase of the **medical aid** capping from R2 285 to R2 514, which requires manual retrospective reconciliations for April, May, June and July 2016, as well as subsequent refunds to employees already above the cap.

However, the following aspects could be implemented effective July 2016 as they do not have system implications:

1. The accrual of the **thirteenth cheque**, taxed in the month of payment as a non-pensionable earning;
2. The discontinuation of the **service bonus** provision for employees who made this choice, to be paid in the July 2016 payroll, less tax; and



3. The adjustment of **long service awards** for leave effective April 2016, to be paid between April and July.

The employer also made the following undertakings and confirmations:

1. That the **leave** module in Oracle also needed reconfiguration to accommodate the new leave allocation 26 days to 30 days, as well as the 32 days allocated to the last three categories. This will be part of the system update mentioned above, which was said to be a time-consuming process;
2. To furnish us with the approved pay scales, medical aid and management for **D1** employees, as made during the previous meeting;
3. To circulate the draft **Fulltime Shop Steward Agreement** to all parties for their inputs before 15 July 2016;
4. A panel of five **medical aid schemes**, which is an improvement on the current panel of three. A task team would be established to finalise this process;
5. The finalisation of the five **Performance-Proficiency Committees**, and labour undertook to make the necessary nominations;
6. Regarding the **Policy Review**, the employer undertook to circulate the draft policies for preparation and comment; and
7. To start with preparations for the **Annual General Meeting (AGM)** to be convened August 2016. It was agreed that certain amendments to the Constitution and Recognition Agreement may be considered for the sake of alignment with the Salary Agreement 2016/2017.

For more information please contact your Provincial Office on the numbers below:



If you are not yet a member of Hospersa, we invite you to immediately become a member of the premier trade union in the health and service sectors. Contact your Provincial Office and we will process your application as soon as possible.

Should you have any other queries or questions, please call us on our toll-free line, 0800-006-145 or e-mail helpdesk@hospersa.co.za.

Please visit our website (www.hospersa.co.za) to see what we do and what we stand for.

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