

Permanent Arbitration Tribunal

AWARD

RN 696

In the matter of

Mauritius Civil Service Mutual Aid Association Employees Union

And

Mauritius Civil Service Mutual Aid Association Ltd

BEFORE

R. Hossen	-	Acting President
B. Ramburn	-	Member
M. Goinden	-	Member

The following disputes have been referred to the Tribunal for Compulsory Arbitration by the Minister of Labour, Industrial Relations and Employment by virtue of section 82 (10 (f) of the Industrial Relations Act 1973, as amended.

The Terms of Reference are:-

- "
1. *Whether the effective date for the implementation of the Report should be the 1st July 1998 for both salaries and conditions of service, or otherwise.*
 2. *Whether the following salary structure should apply as from 1st July 1998, or otherwise –*

Level I Managerial Grade1. *MANAGER*

Whether he should draw a flat salary which is comparable to a Chief Executive of a State Owned Company or that of a Grade A Para Statal Body; or otherwise

2. *ASSISTANT MANAGER*

18500 x 600 - 22100 x 700 – 23500; or otherwise

Level II Supervisory Grade1. *SENIOR FINANCE & ACCOUNTS OFFICER*

15000 x 500 – 15500 x 600 – 19100; or otherwise

2. *FINANCE & ACCOUNTS OFFICER*

11100 x 300 – 11400 x 400 – 13000 x 500 – 15500; or otherwise

Level III Accounting/Secretarial Grade1. *ACCOUNTS CLERK*

6800 x 200 – 7800 x 300 – 11400 x 400 – 12600; or otherwise

2. *CONFIDENTIAL SECRETARY*

6500 X 150 – 6800 X 200 – 7800 X 300 – 11400 X 400 – 12600; or otherwise

LEVEL IV - Clerical Grade1. *CLERK/WORD PROCESSING OPERATOR*

5100 x 125 – 5600 x 150 – 6800 x 200 – 7800 x 300 – 10500; or otherwise

Level V - Messengerial Grade1. *HEAD OFFICE ATTENDANT*

5600 x 150 – 6800 x 200 – 7800 x 300; or otherwise

2. OFFICE ATTENDANT

4725 x 125 – 5600 x 150 – 8600 x 200 – 7800; or otherwise

3. Whether the new salaries should be converted on a point to point basis as per annexed conversion table; or otherwise.
4. Whether the company should provide uniforms to all its employees or pay a yearly uniform allowance of Rs 2000 or otherwise.
5. Whether the new rate of earnings and accumulating vacation leave should be as follows, or otherwise.

<i>Length of Service</i>	<i>Leave Earnings Rate per annum (days)</i>	<i>Maximum leave to be accumulated (days)</i>
<i>Up to 5</i>	<i>25</i>	<i>60</i>
<i>Over 5 to 10</i>	<i>30</i>	<i>90</i>
<i>Over 10</i>	<i>35</i>	<i>120</i>

6. Whether an officer who has already reached his maximum ceiling of vacation leave and cannot be released due to exigencies of service should be given the following options:

(i) Either he should be allowed to cash at a rate of 1/30 of his monthly Salary any vacation leave earned over and above the maximum entitlement in a calendar year; or otherwise.

OR

(ii) He should be allowed to accumulate and above the maximum ceiling for not more than two consecutive years; or otherwise.

7. (a) *Whether the passage benefit scheme should be replaced by an Earned Savings/Benefit Scheme, or otherwise*
 - (b) *Whether confirmed employees whatever be their level of salaries would earn savings/benefits at the rate of 8% of their annual salary for the following purposes; or otherwise.*
 - (i) *Overseas travel and hotel expenses.*
 - (ii) *Vacation to be spent at inland hotel and recreational resorts.*
 - (iii) *Medical treatment of himself/herself and dependent children necessitating admission in a hospital or clinic.*
 - (iv) *Studies at University or in a Professional Institution.*
8. *Whether in any financial year the Company realises a profit, the company shall pay to all its employees a productivity bonus of not less than one month salary; or otherwise.*
9. *Whether officers drawing a monthly basic salary of Rs 20, 300 and above should receive a monthly car allowance of Rs 5 730 or other wise.*
10. *Whether other employees drawing a monthly basic salary of Rs 14,500 should receive a monthly car travelling allowance of Rs 3850 or otherwise.*
11. *Whether an employee who is not drawing a car travelling allowance and who attends duty by bus should be paid a monthly allowance representing 20 days of his travelling expenses by the most economical route or otherwise.*
12. *Whether employees in the supervisory grade drawing a monthly basic salary of Rs 14,500 would be eligible for a car loan equivalent to 21 months salary for the purchase of a car not more than seven years old or otherwise.*

13. *Whether the company shall provide a non-contributory medical insurance cover for all its permanent employees or otherwise.*

14. *Whether a minimum of one month end of year bonus would be paid to all permanent employees or otherwise.*

15. *Whether the company as a financial institution shall provide a Housing loan Scheme to its employees on the following conditions or otherwise.*

Loan	<i>Up to Rs 500,000</i>
Eligibility	<i>Permanent Employees with at least 5 years service</i>
Security	<i>A first rank fixed charge on property and a decreasing temporary assurance</i>
Interest	<i>3% per annum on the first Rs 300,000 and 5% on the remaining loan amount</i>
Charges	<i>Registration fees payable as per prevailing rate fixed by Government but processing/administrative cost would not be claimed.</i>

16. *Whether the additional qualifications required for the post of Assistant Manager, Finance & Accounts Officer and Accounts Clerk would be waived for existing employees holding a substantive post with at least ten years experience; or otherwise."*

As a settlement has been reached in a number of those disputes, it is necessary to reproduce the averments contained in the Statement of Case of the Applicant in order to understand the precise and specific terms agreed upon and on which the parties moved for an Award.

"Whether the effective date of the implementation of the Report should be 1st July 1998 for both salaries and conditions of service; or otherwise.

STAND OF THE UNION

The said Review was carried out in the light of the PRB Report published in July 1998 following a trade dispute reported by the Union on 5th November 1997.

New salaries and conditions of service were implemented in the public sector as from July 1998.

Every time there has been changes in the salary structure and conditions of employment in the public sector, the Company has kept pace therewith. There have been several instances in the past where the salaries and conditions of service of employees of the Company were reviewed as from the same date as in the Public Service.

The present Mutual Aid salary Report was published in May 1999. (A copy of which is enclosed as annex 1 for reference). Whilst the new salary structure was effective as from 1st July 1998, the new conditions of service were implemented as from July 1999 though Management was agreeable to consider backdating its implementation as from 1st January 1999.

The Union claims that there is absolutely no justification as to why the proposed conditions of service could not be implemented with effect from 1st July 1998 in as much as no great implementation difficulties would result. Besides, the Company could easily sustain the financial implication costs.

“Whether the following salary structure should apply as from 1st July 1998; or otherwise.”

Level I Managerial Grade

3. ***MANAGER***

Whether he should draw a flat salary which is comparable to a Chief Executive of a State Owned Company or that of a Grade A Para Statal Body; or otherwise

4. ***ASSISTANT MANAGER***

18500 x 600 -22100 x 700 – 23500; or otherwise

Level II Supervisory Grade

3. *SENIOR FINANCE & ACCOUNTS OFFICER*

15000 x 500 – 15500 x 600 – 19100; or otherwise

4. *FINANCE & ACCOUNTS OFFICER*

11100 x 300 – 11400 x 400 – 13000 x 500 – 15500; or otherwise

Level III Accounting/Secretarial Grade

1. *ACCOUNTS CLERK*

6800 x 200 – 7800 x 300 – 11400 x 400 – 12600; or otherwise

2. *CONFIDENTIAL SECRETARY*

6500 X 150 – 6800 X 200 – 7800 X 300 – 11400 X 400 – 12600; or otherwise

LEVEL IV - Clerical Grade

2. *CLERK/WORD PROCESSING OPERATOR*

5100 x 125 – 5600 x 150 – 6800 x 200 – 7800 x 300 – 10500; or otherwise

Level V - Messengerial Grade

7. *HEAD OFFICE ATTENDANT*

5600 x 150 – 6800 x 200 – 7800 x 300; or otherwise

8. *OFFICE ATTENDANT*

4725 x 125 – 5600 x 150 – 8600 x 200 – 7800; or otherwise

STAND OF THE UNION

The Union insists that there should be longer salary scales for certain grades for the following reasons:

- The specificity of the organization.

- Promotion avenues are very limited.
- Higher qualifications have been introduced for certain grades.
- There exists the element of combined duties between different grades.
- Several employees have already reached their top salary in the new salary structure.
- The additional financial costs would be easily sustainable.

3. *“Whether the new salaries should be converted on a point to point basis as per annexed conversion table; or otherwise”.*

STAND OF THE UNION

Had salary conversion been done purely on a point to point basis this would have restored the relativity existing between and with different grades prior to the implementation of the Salary Commissioner’s Report. Besides, this seems to be more rational in practice.

Salary conversions, which were carried out “partly” on a point to point basis, generated a lot of frustration to the employees as this has created some disequilibrium between and within different grades.

Salary conversion as proposed by the Union would have little financial implication.

4. *“ Whether the company should provide uniforms to all its employees or pay a yearly uniform allowance of Rs 2000/-; or otherwise.”*

STAND OF THE UNION

There is not only the question of identification but also the question of “wear and tear of personal clothes.

The Company has embarked on a process of creating a very good image among the business community.

The employees are considered to be very important in this process. To enhance further the image of the Company the latter can consider providing the employees with appropriate uniforms, as is the normal trend in several other companies.

The financial situation of the Company can afford providing the employees with uniforms on yearly basis.

5. *“Whether the new rate of earning and accumulation vacation leave should be as follows; or otherwise.”*

<i>Length of Service</i>	<i>Leave Earnings Rate per annum (days)</i>	<i>Maximum leave to be accumulated (days)</i>
<i>Up to 5</i>	<i>25</i>	<i>60</i>
<i>Over 5 to 10</i>	<i>30</i>	<i>90</i>
<i>Over 10</i>	<i>35</i>	<i>120</i>

STAND OF THE UNION

For the same reasons as stipulated in the July 98 PRB Report and which have been reproduced in the Mutual Aid Salary Report we consider that the Earning Rate and the Accumulated vacation leave ceiling should be reviewed as per above formula.

6. *“Whether an Officer should has already reached his maximum ceiling of vacation leave and cannot be released due to exigencies of service should be given the following options:*

Either he should be allowed to cash at a rate of 1/30 of his monthly Salary any vacation leave earned over and above the maximum entitlement in a calendar year; or otherwise.

OR

He should be allowed to accumulate and above the maximum ceiling for not more than two consecutive years; or otherwise.

STAND OF THE UNION

Considering the specificity of the organization the Union considers that this option should be given as the probability that employees may not be granted release when required highly exists.

7. (a) ***“Whether the Passage Benefit Scheme should be replaced by an Earned Savings/Benefits Scheme; or otherwise.***

(b) ***“Whether confirmed employees whatever be their level of salaries would earn Savings/Benefits at the rate of 8% of their annual salary for the following purposes; or otherwise.***

- (i) Overseas travel and hotel expenses
- (ii) Vacation to be spent at inland hotel and recreational resorts
- (iii) Medical treatment of himself/herself and dependent children necessitating admission in a hospital or clinic.
- (iv) Studies at a University or in a professional institution

STAND OF THE UNION

In order to cater for a wider coverage it is proposed that the Passage Benefits Scheme can be restyled as an Earned Savings/Benefits Scheme.

Considering the specificity of the organization, the additional financial costs, and the increase in the costs of tickets, the Union is of opinion that the Company can cater for such a scheme that benefits a maximum of employees.

8. *“Whether in any financial year when the Company realizes a profit, the Company shall pay to all its employees a productivity bonus of not less than one month salary; or otherwise.”*

STAND OF THE UNION

The Union is of opinion that the profitability and productivity-based bonus which is tagged to the individual performance of the employees should be payable as and when the Company realizes a profit and the quantum of such bonus shall be at least one month salary of the employee.

It is worth noting that the Company has paid this additional bonus in the past even if its profits were not as high as it has been for the last financial year.

9. *“Whether Officers drawing a monthly basis salary of Rs 20,300/ and above should receive a monthly car allowance of Rs 5,730/; or otherwise.”*

STAND OF UNION

Taking into account the specificity of the organization, its financial situation and the general practice in other similar sectors, the Union strongly believes that employees at this salary level should be able to draw a car travelling allowance of Rs 5,730/ instead of Rs 3,600/ as recommended by the Salary Commissioner.

10. *“Whether other employees drawing a monthly basic salary of Rs 14,500/ should receive a monthly car travelling allowance of Rs 3,850/; or otherwise.”*

Taking into consideration the specificity of the organization, the level of responsibilities of employees concerned at this salary level, the financial situation of the Company and the normal practice in similar other sectors, the Union firmly believes that the Company should provide for a car travelling allowance of Rs 3850/ to employees drawing a salary of Rs 14,500/ to Rs 20,300/. It is worth noting that only a few employees will be concerned if this proposal is adopted.

11. *"Whether an employee who is not drawing a car travelling allowance and who attends duty by bus should be paid a monthly allowance representing 20 days of his travelling expenses by the most economical route; or otherwise."*

STAND OF THE UNION

The Union considers that normally, employees attend duty on 20 working days in any one month. We consider that a payment of a fixed allowance representing 20 days of the employees bus travelling expenses can be considered as this is also the practice in several sectors. This will save much of the employees time in the Administration Department to compute employees' monthly allowance.

Payment of traveling expenses for the current month will no longer be in arrears if this proposal is adopted.

12.*"Whether employees in the supervisory grade drawing a monthly basic salary of Rs 14,500/ would be eligible for a car loan equivalent to 21 months' salary for the purchase of a car of not more than seven years old; or otherwise."*

STAND OF THE UNION

Taking into consideration the specificity of the organization, the financial situation of the Company, the level of responsibilities of employees concerned at this salary level and the general practice in several other sectors, the Union strongly believes that the Company can afford granting a car loan to the few employees concerned at this salary level.

13.*"Whether the Company shall provide a non-contributory medical insurance cover for all its permanent employees; or otherwise."*

STAND OF THE UNION

Taking into consideration the financial situation of the Company the Union is of opinion that the Company can provide for a free medical insurance cover for all its employees

14. *"Whether a minimum of one month end of year bonus would be paid to all its permanent employees; or otherwise."*

STAND OF THE UNION

The Union considers that this should form part of the contract of employment of the employees as payment of one-month bonus is now guaranteed in all sectors.

15. *"Whether the Company as a financial institution shall provide a Housing Loan Scheme to its employees on the following conditions; or otherwise."*

<i>Loan</i>	<i>Up to Rs 500,000</i>
<i>Eligibility</i>	<i>Permanent Employees with at least 5 years service</i>
<i>Security</i>	<i>A first rank fixed charge on property and a decreasing temporary assurance</i>
<i>Interest</i>	<i>3% per annum on the first Rs 3000,000 and 5% on the remaining loan amount</i>
<i>Charges</i>	<i>Registration fees payable as per prevailing rate fixed by Government but processing/administrative cost would not be claimed.</i>

STAND OF THE UNION

The Company has agreed in principle to consider such a scheme for the employees but the modalities have not yet been defined.

Either the Company agrees to the Union's formula or proposes an alternative one.

16. "Whether the additional qualifications required for the post of Assistant Manager, finance & Accounts Officer and Accounts Clerk would be waived for existing employees holding a substantive post with a least ten years experience; or otherwise."

STAND OF THE UNION

Considering the specificity of the organisation and the limited promotion avenues for the employees, the Union believes that the additional qualifications should be applicable for only new intakes.

Both parties moved that the Tribunal delivers an Award as per the terms of the dispute in respect of items 4, 6, 9, 10, 11, 12, 14 and 15.

They further moved that items 1, 2, 3, 5, 7, 8, 13 and 16 be set aside.

Dispute nos 1, 2, 3, 5, 7, 8, 13 and 16 are accordingly set aside.

The Tribunal awards in terms of items nos 4, 6, 9, 10, 11, 12, 14 and 15.

With respect to items 9 and 10, the Tribunal notes that the issue of backdating has not been made part of the Terms of Reference and it would be ultra petita to consider same.

This Award will take effect on the date it is gazetted.

Rashid Hossen
Acting President

B. Ramburn
Member

M. Goinden
Member

27th July, 2005