



To All Sasbo Members in Old Mutual

MAJOR VICTORY FOR SASBO IN OLD MUTUAL

A quick summary

In 2013 and 2016, Old Mutual applied to the Department of Labour (“DoL”) for exemption. In other words, Old Mutual brought a Section 50 application to the DoL on behalf of Personal Finance, Retail Mass Market, Foundation Market and Old Mutual Wealth in respect of its Private Wealth and specifically Direct Financial Advisors (DFA), in all of its regions nationally to ask the DoL to legally excuse Old Mutual from paying or doing something which is prescribed in the Basic Conditions of Employment Act, 66 of 1997 (BCEA). In this regard they asked the DoL to give them permission not to pay annual leave, sick leave, family responsibility leave, and any payment due to the affected employees instead of giving notice and any payment due to the affected employees if the employment contract is terminated with Old Mutual.

In 2016, the DoL gave Old Mutual an exemption again. At first Sasbo supported the application because Old Mutual advised Sasbo that this application will not result in any change or loss of benefits for any of the affected employees. Shortly thereafter the Union received concerns from its members in DFA, who contended that they will be worse off. Sasbo proceeded to investigate the matter and lo and behold we discovered that our members would definitely be financially worse off. This resulted in an intense engagement lead by Sasbo with Old Mutual. Despite Old Mutual’s attempts to persuade us to the contrary, Sasbo decided to write to the DoL asking for the Department’s intervention.

The interventions by the Department of Labour

On 5 April 2017, the DoL invited Old Mutual and Sasbo to listen to our arguments and simultaneously reprimanded Old Mutual for failing to follow S 50(10) of the Basic Conditions of Employment Act, 75 of 1997 i.e., not displaying a copy of this notice in the workplace. The outcome of that session resulted in the arrangement of another session with the DoL. On 11 July 2017, at the DoL offices in Cape Town, both Old Mutual and Sasbo were given opportunities to address the DoL and present arguments. The parties then agreed to exchange their closing arguments in writing.

The withdrawal of the exemption

On 12 December 2017, the Director-General of the Department of Labour presented a letter (see attached) to both parties declaring that Old Mutual, with effect from 12 December 2017 must pay the affected staff members for their annual leave, sick leave, family responsibility leave, pay employees in lieu of notice and pay employees on termination of their contracts of employment.

We are very pleased to report to you that our hard work has paid dividends! This is a major victory for Sasbo and its members in Old Mutual.

We thank our Legal Department, headed by Cde Gizelle Conradie, Sasbo Regional Secretary Cde Charles Wells, Cde Seelan Pillay (Old Mutual DFA) and Cde Susani Tomsana (Sasbo Cpt) for their dedication and resoluteness in getting to the bottom of this matter and addressing it.

Sasbo - The Finance Union making a positive difference!

Yours Sincerely

Myan Soobramoney
Assistant General Secretary

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