

SWELLENDAM MUNICIPALITY



DRAFT POLICY MEMBERSHIP OF MEDICAL SCHEMES AND REGISTRATION OF DEPENDANTS ON ACCREDITED MEDICAL SCHEMES

Approved by Council as per Item ...

Date:

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1. INTRODUCTION

This Policy describes the measures applicable on membership, registration of dependents, procedures and conditions for continued membership of accredited medical schemes.

Since 2009 Swellendam Municipality had obligatory medical aid participation as a service condition for all staff members. This decision was recalled by Council on 27 June 2024, Item A 93/27/06/2024, as participation to a medical scheme is not legally prescribed and that membership must be the choice of the employee.

Council resolved that the service condition requiring all staff members to participate in a registered medical aid scheme, be lifted and that all staff that are not legislatively obliged to partake in a medical scheme (such as Senior Managers), be allowed to, once a year, choose to partake in an accredited medical scheme, or not.

The extended benefit of the above service condition that allows for a continuous subsidy from the Municipality when a member terminates employment on certain conditions as per paragraph 8 of this policy will no longer be available for newly appointed employees from the date of adoption and approval of this policy as there is no legally mandatory obligation on the Municipality to pay continued subsidies.

Current employees who qualify for a continuous medical aid subsidy in terms of section 8 of this policy and wish to continue with their medical aid membership will receive the 70 % subsidy from the municipality on the condition that the employee pays 30 % of the membership fee.

This policy does not apply to Section 56 and Section 57 employees.

2. LEGAL MANDATE

The policy framework obtains its legal and general mandate from the following prescriptions, which include, but is not limited to the:

- Medical Scheme Rules
- Main Collective Agreement

3. PURPOSE

The purpose of this policy is to determine conditions applicable on membership of accredited medical schemes for permanent staff members as well as current continuing members;

To prescribe administrative measures when staff members opt to cancel their medical aid scheme membership in terms of Council decision, Item A 93/27/06/2024.

4. DEFINITIONS

Accredited Medical Scheme: Schemes approved annually by SALGA as a Medical Scheme to which officials may belong.

Calendar Month:	It is a period which stretches from the 1 st of a month to the end of that specific month.
Subsidy:	The Council contribution to the premium paid to the Medical Scheme in the case of permanent staff members and continuing members as per the Collective Agreement.
Continuing Member:	An official who retires on pension and according to the rules of the pension scheme, or the services (of whom are discontinued due to incapacity due to medical reasons.)
Retirement Age:	Retirement Age is according to the rules of the accredited pension funds but for the purpose of continued medical aid membership it does not include early retirement.
Life Partner:	A person who lives with the principal member in a permanent relationship which is regulated by a domestic contract which clearly express each of their intent to maintain each other while the relationship last.
Appointment Date:	The date on which the official has been taken into service by the Municipality.
Spouse:	Being a natural person who is bound to the principal member in terms of a marriage or customary union recognise by the laws of the Republic of South Africa.
Dependant:	The spouse of life partner (one spouse or life partner), biological children, foster children and adopted children of the principal member.

5. MEMBERSHIP

5.1 The stipulations of paragraph 4.1 of the Main Collective Agreement that refers to medical aid reads as follows (quoted from the Main Collective Agreement):

- “4.1.1.1 The Council shall annually accredit medical schemes which qualify for employer contributions in terms of 4.1.2 below, and in terms of the criteria for accreditation, as determined by the Executive Committee.
- 4.1.1.2 The Employer shall, on behalf of the employee, make contributions to accredited medical schemes.
- 4.1.2.3 Employees shall not be permitted to separate family membership and register dependants on different schemes.

- 4.1.2.4 Scheme members will be afforded a choice on an annual basis before 1 January to move to a Council accredited medical scheme.
- 4.1.2.5 In the event of an accredited medical scheme being in breach of the primary membership threshold criteria, that scheme shall lose its accreditation status, and the affected members shall be entitled to exercise a new election.
- 4.1.2.6 An employee must belong to one of the accredited medical schemes in 4.1.1.1 above or any dully amended list of accredited schemes, as shall be furnished by the General Secretary of the Council from time to time, to qualify for the medical aid subsidy in 4.1.2 below.
- 4.1.2.7 An employee who elects not to belong to an accredited medical aid scheme will not be entitled to the medical aid subsidy.”

The above-mentioned must be strictly adhered to.

- 5.2 The Municipality will subsidize the medical scheme contribution of an employee who is registered as the principal member on accredited medical scheme as agreed upon by the Bargaining Council.
- 5.3 Scheme members may take an election regarding movement from one accredited medical scheme to another accredited medical scheme on an annual basis before 1 January.
- 5.4 A waiting period may be applicable at a medical scheme where an employee joins on a date other than his/her date of appointment, subject to the rules of the medical scheme in question.
- 5.5 An employee must in writing give one calendar months’ notice to the medical scheme if termination of membership is required, unless otherwise prescribed by the medical scheme rules.
- 5.6 If the principal continued member passes away, the spouse and/or dependents of the said member will be eligible for continuation from the Municipality.
- 5.7 The commitment of Council in respect of a member with regard to his premium for membership of the scheme, terminates with immediate effect from the date of termination of service.

6. REGISTRATION OF DEPENDANTS

The Municipality will subsidize the following dependants to a maximum amount as determined by the Bargaining Council:

- 6.1 Children and fulltime students / adult dependant, subject to the rules of the scheme in question, and submission of confirmation of fulltime studies.

6.2 A principal member of a medical scheme may register any close family member as dependant on the medical scheme, subject to confirmation of financial dependency and the rules of the medical scheme in question, with the understanding that no subsidy is payable by the Municipality in respect of dependants falling outside paragraph 6.1.

6.3 An employee who wishes to register life partners as dependants, must provide the Municipality's Human Resources Department with a copy of their cohabitation or domestic contract as a measure to confirm their protection and rights against each other, with specific reference to medical aid benefits. The agreement should further record that the parties to the agreement undertake to maintain each other while the relationship last.

The applicant must prove that an agreement or contract exist, which confirm the existence of a universal relationship.

7. CLAIM PROCEDURES AND PAYMENT OF CONTRIBUTIONS

7.1 The employee is responsible for the submission of claims in the prescribed period and Human Resources Department will only undertake the support function. The Human Resources Department remain responsible to perform administrative services in this regard requested by members.

7.2 The Municipality will ensure that premiums are paid over to the medical scheme on date as agreed with the medical schemes.

7.3 The employee is responsible for timeous submission of applications for membership, registration and de-registration of dependents and termination of membership to the Human Resources Department.

8. CONTINUED MEMBERS

8.1 As from the date of approval of this policy, only existing employees will qualify for continued membership as there are no legally mandatory obligation on the employer to pay continued membership after any form of termination of employment.

8.2 The current benefit for continued membership is that the municipality will pay 70% subsidy towards the total cost of medical aid membership and the employee will pay 30% towards the total cost of medical aid membership.

8.3 All existing employees will qualify on the following conditions:

8.3.1 The medical scheme contributions of an employee who retires (according to the rules of the Pension Fund) or the services of whom are terminated due to poor health will be subsidized by the Municipality on the condition that the employee completed 15 years of continuous service with the Municipality, and that he/she belonged to an accredited medical scheme of the municipality for a continued period of 15 years prior to retirement and / or termination due to ill health. An employee who completed less

than 15 years of continuous service with the municipality will not qualify for subsidy of medical scheme contributions after termination of service.

8.3.2 Should a continuing member pass away, only the spouse and dependents registered on the medical scheme at a date of death of the principal member will be subsidized by the Municipality.

8.4 Should the spouse in 5.6 above terminate membership of a medical scheme and there is an interruption in membership, the advantage lapses and no subsidy will be paid by the Municipality should the spouse after a period again join a medical scheme.

9. ADMINISTRATIVE MEASURES WHEN STAFF CANCEL THEIR MEDICAL AID SCHEME MEMBERSHIP

9.1 An employee must in writing give one calendar months' notice to the medical scheme if termination of membership is required, unless otherwise prescribed by the medical scheme rules.

9.2 The notice of termination must be handed in at the Human Resources Department at least SEVEN (7) working days before the notice period start to allow enough time to complete the necessary correspondence to the relevant Medical Aid Scheme.

9.3 Any monies, besides the obligatory contribution of Swellendam Municipality, due to the relevant medical aid scheme or service providers will be the responsibility of the employee who opt to cancel membership of his / her medical aid scheme.

9.3 Employees who opt to cancel their medical aid scheme membership will be allowed to apply for membership to a medical aid scheme again, but not in the same year that it was cancelled.

9.4 A waiting period may be applicable at a medical scheme where an employee joins on a date other than his/her date of appointment, subject to the rules of the medical scheme in question.

9.5 The conditions of service agreements of all employees of Swellendam Municipality must be amended to that medical aid membership is not obligatory but the choice of the employee.