

BERGRIVIER MUNICIPALITY



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TABLE OF CONTENTS

1. PREAMBLE	3
2. DEFINITIONS.....	3
3. LEGAL FRAMEWORK	6
4. PURPOSE	6
5. SCOPE AND APPLICATION	6
6. MEMBERSHIP	7
7. REGISTRATION OF DEPENDENTS	10
8. CLAIM PROCEDURES AND PAYMENT OF CONTRIBUTIONS.....	111
9. CONTINUED MEMBERS	12
10. BREACH OF THIS POLICY	15
11. DATE OF EFFECT OF THIS POLICY	15

1. PREAMBLE

The policies and procedures contained in this document supplement the conditions of employment of every employee, the workplace rules issued from time to time by the Municipality, the South African Local Government Bargaining Council Collective Agreements and the code of conduct for staff members of municipalities contained in Schedule 2 of the Local Government: Municipal Systems Act (Act 32 of 2000).

2. DEFINITIONS

In this policy, unless the context indicates otherwise:

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

"Appointment date" means the date on which the official has been taken into service by the Municipality.

"Calendar month" means a period which stretches from the 1st of a month to the end of that specific month (30/31st).

"Continuing member" An official who retires, or whose services are terminated based on ill health incapacity, or passes away according to the relevant pension fund rules.

“Council”

means the Council of the Municipality and includes any political structure, political office-bearer or employee of the Municipality lawfully acting in its stead;

“Dependant”

The spouse or life partner (one spouse or life partner), biological children, foster children and adopted children of the principal member.

“Director”

means an employee of the Council who, in terms of a Council’ s resolution or an Act, is directly responsible to the Municipal Manager for the administration of a department, section or branch of the Council’ s service, or is acting in such capacity;

“Employee”

means a person who works for, or renders service to, the Municipality regardless of the form of his/her employment contract, and in respect of which any factor enumerated in section 200A(1) of the Labour Relations Act applies;

“Life Partner”

refers to a person who lives with the main member in a permanent relationship, similar to a marriage, who are dependent on one another;

“Municipal Manager” means a person appointed in terms of section 54A of the Local Government: Municipal Systems Act No. 32 of 2000 and includes a person acting in his/her stead or in terms of a power delegated in writing to him/her by the Municipal Manager;

“Municipality” means the Bergrivier Local Municipality, a municipality established in terms of section 12 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998), as amended;

“Post Retirement Benefit” means the maximum employer contribution to an accredited medical scheme for an individual employee as determined in the main collective agreement of the SALGBC as amended from time to time.

“Spouse” means a natural person who is bound to the principal member in terms of a marriage or customary union recognised by the laws of the Republic of South Africa.

All terminology not defined under clause 2 of this policy shall bear the same meaning as in the applicable legislation.

3. LEGAL FRAMEWORK

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

3.1.1 Medical Scheme rules; and

3.1.2 SALGBC Western Cape Division: Collective Agreement on Conditions of Service, as concluded on 23 March 2016.

4. PURPOSE

The purpose of this policy is to determine conditions applicable *to* membership of accredited medical *schemes* for current employees as well as for the provision of Post-Retirement Medical Scheme ("PRMS") contributions for eligible employees.

5. SCOPE AND APPLICATION

5.1 This policy applies to all permanent staff members of the Municipality including the three positions in Bergrivier Municipality that legally prohibits to be appointed permanently namely:

- Municipal Manager;
- Strategic Officer in the Office of the Executive Mayor; and
- Personal Assistant in the Office of the Executive Mayor

6. MEMBERSHIP

6.1 The stipulations of paragraph 9.1 of the SALGBC Main Collective Agreement that refers to medical aid determine the following:

"9.1.1.1 The Council shall annually accredit medical schemes which qualify for employer contributions in terms of 9.1.2 below, and in terms of the criteria for accreditation, as determined by the Executive Committee, from time to time.

9.1.1.2 The employer shall, on behalf of the employee, make contributions to accredited medical schemes.

9.1.1.3 Employees shall not be permitted to separate family membership and register dependants on different schemes.

9.1.1.4 Scheme members will be afforded a choice on an annual basis before 1 January to move to a Council accredited medical scheme.

9.1.1.5 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.

9.1.1.6 An employee must belong to one of the accredited medical schemes in 9.1.1.1 above or any duly 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 9.1.2 below.

9.1.1.7 An employee who elects not to belong to an accredited medical scheme will not be entitled to the medical aid subsidy.

9.1.2 Contributions

9.1.2.1 The contribution rate towards accredited medical schemes will be regulated as follows: -

9.1.1.1.1 The maximum employer contribution to an accredited medical scheme for an individual employee shall be as agreed to by the parties from time to time during wage negotiations;

9.1.1.1.2 The employer shall contribute 60% of the monthly membership contribution to a

maximum of the amount mentioned in paragraph 9.1.2.1.1 above while the employee will contribute 40% of the monthly contribution;

9.1.1.1.3 The amount referred to in 9.1.2.1.1 above shall escalate at the same rate as the annual percentage increase in salaries and wages, or otherwise agreed to from time to time by the Parties to the Council, subject to 9.1.2.1.2 above;

9.1.1.1.4 Any agreed escalation of the amount referred to in 9.1.2.1.1 above shall occur annually on 1 July, unless otherwise agreed by the parties.

9.1.1.2 The employer contributions shall be in respect of the member and any number of dependants provided that the employer contributions shall not exceed the amount referred to in clause 9.1.2.1.1 above."

6.2 The spouse and/or dependents of an employee who passes away may continue with the membership in which case the employer shall contribute 60% of the monthly membership contribution to a maximum as determined

annually by the Bargaining Council, subject to paragraph 9.2 of this policy. Paragraph 9.4 must also be taken into consideration in this case.

- 6.3 The commitment of Council in respect of a member with regard to his contribution for membership of the Scheme, terminates summarily with effect from the date of discharge.

7. REGISTRATION OF DEPENDENTS

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

7.1.1 The spouse or life partner (one spouse or life partner), biological children, foster children and adopted children of the main member (Confirmation of dependency must be submitted (marriage certificate, birth certificate, sworn declaration and/or court documents).

7.1.2 Children to the age of 24 years, and full-time students, subject to the rules of the schemes in question, and submission of confirmation of fulltime studies.

7.1.3 Children above the age of 24 years will not be subsidised by the Municipality, irrespective whether they study full-time or not.

7.1.4 A principal member of a medical scheme may register any close family member as dependent on the medical scheme, subject to confirmation of financial dependency and the rules of the medical scheme in question, with the understanding that no employer' s contribution is payable by the Municipality in respect of dependents falling outside paragraph 7.1.2 above.

7.1.5 Employees with disabled children, accepted by the Medical Scheme as a child dependent for life, may apply for subsidy at the employer for the child in question.

7.1.6 An employee, who wishes to register a life partner as dependant, 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.

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

8. CLAIM PROCEDURES AND PAYMENT OF CONTRIBUTIONS

8.1 The Employee is responsible for the submission of claims in the prescribed

period to the applicable Medical Scheme. The Human Resource section remains responsible for performing administrative support services in this regard.

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

8.3 The employee must ensure that applications for membership, registration and de-registration of dependents and termination of membership are submitted timeously with the Human Resource Department.

9. CONTINUED MEMBERS

9.1 All permanent employees of Bergrivier Municipality employed before the 01 October 2018 qualifies for the post retirement medical benefit when he/she retires (according to the rules of the Pension Fund), or his/her services are terminated due to incapacity: ill health, as a post-retirement benefit or passes away including the three positions in Bergrivier Municipality that legally prohibits to be appointed permanently namely:

- Municipal Manager;
- Strategic Officer in the Office of the Executive Mayor; and
- Personal Assistant in the Office of the Executive Mayor

9.2 The employer' s monthly medical scheme membership contributions of an employee employed after 01 October 2018, including the three positions in Bergrivier Municipality that legally prohibits to be appointed permanently (See paragraph 9.1 above), will continue when he/she retires (according to the rules of the Pension Fund), or his/her services are terminated due to incapacity: ill health, as a post-retirement benefit on the following conditions:

9.2.1 The employee completed 10 years of service with the Municipality, and

9.2.2 He/she belonged to a medical scheme for the biggest portion of his period of service (50+1 principle), and still does.

9.3 An employee who completed less than ten years of service with the Municipality when he/she retires (according to the rules of the Pension Fund) will not be entitled to a post-retirement benefit.

9.4 A spouse and dependents registered on the medical scheme of an employee employed after 01 October 2018, including the three positions in Bergrivier Municipality that legally prohibits to be appointed permanently (See paragraph 9.1 above), who passes away, will be entitled to the post retirement benefit provided that the employee completed 10 years of service with the Municipality, and that he/she belonged to a

medical scheme for the largest portion (50+1 principle) of his employment with the municipality and belonged to medical scheme at date of death.

- 9.5 Employees, including the three positions in Bergrivier Municipality that legally prohibits to be appointed permanently (See paragraph 9.1 above), who are appointed after the adoption of the policy by the Council, with less than 10 years of service passes away, the spouse and dependents of that employee, will not qualify for the post retirement benefit.
- 9.6 Should the spouse in 9.4 terminate his/her membership of the medical scheme and there is an interruption in membership, the post-retirement benefit lapses and no further employer contributions will be paid by the Municipality to the medical scheme even if the spouse after a period join the medical scheme again.
- 9.7 The contribution of a continuing member must be paid directly to the medical aid before or on the last working date of the month.
- 9.8 Should the contributions of a continuing member be outstanding for more than 60 days and the medical scheme informs the employer of such failure, the employer will immediately seize the payment of the post-retirement benefit to the medical scheme.

- 9.9 A continuing member, the membership of whom is terminated as a result of non-payment of the contributions, forfeits any claim on the post-retirement benefit.
- 9.10 A continuing member must submit a confirmation of existence (sworn declaration), proof of income and residential address with the Human Resource Department before 15 November of each year for calculation of medical scheme contributions with effect of 1 January of the following year.

10. BREACH OF THIS POLICY

Non-compliance with the policy stipulations will be regarded as misconduct.

11. DATE OF EFFECT OF THIS POLICY

This policy will be effective from the first day of the calendar month following the date on which Council has approved this policy.