



**BREED VALLEY**

MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

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

REVISION	APPROVED BY COUNCIL	AUTHOR	REASON FOR CHANGE
1.0 2.0		G COOK	REVISION

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## THE POLICY

### 1. PREAMBLE

The purpose of this policy is to prescribe the measures applicable on membership, registration and de-registration of dependants, as well as procedures with regards to continued members of accredited medical funds.

### 2. DEFINITIONS

All terminology used in this policy shall bear the same meaning as in the applicable legislation.

Accredited medical scheme: Funds approved by the SALGBC on an annual basis as a medical fund to which officials may apply for membership.

Calendar month: A period which stretches from the 1<sup>st</sup> of a month to the end of that specific month

Subsidy: The Municipality's contribution to the premium paid to the Medical Aid scheme, as per collective agreement, towards permanent employees and continued members.

Employee : means any person, excluding an independent contractor who works for another person or for the State and who receives, or is entitled to receive, any remuneration

Continued member:

- An employee who retires at the age of 55 and above or whose services are terminated due to ill health which resulted in an approved disability claim and
- An employee who have more than 15 years uninterrupted service with the municipality and
- Who at the date of retirement belonged to an accredited medical aid scheme by South African Local Government Bargaining Council (SALGBC)
- Dependents of a deceased employee

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

Life Partner:	A person who lives with the principal member in a permanent relationship, similar to a marriage, at the same residential address and who is financially dependent on each other.
Child Dependant:	A dependant of the principal member, who is defined and classified by the relevant medical aid scheme as a “child dependant”.
Retirement Fund:	Any Pension or Provident fund which is accredited with SALGBC.

### **3. LEGAL FRAMEWORK**

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

- a. Medical scheme fund rules
- b. Main Collective Agreement

### **4. SCOPE AND APPLICATION**

This policy applies to all permanent and fixed- term employees of the Breede Valley Municipality as well as continuing retired employees.

Employees who already retired from the service of Breede Valley Municipality, upon date of approval of this policy, do not qualify for continued medical aid membership.

Section 54A and 56 employees in terms of the Municipal Systems Act are included in this policy.

Employees appointed prior 01 July 2023 the conditions of the previous policies will remain the same.

### **5. POLICY CONTENT**

#### **5.1. MEMBERSHIP**

- 5.1.1 The stipulations within the Main Collective Agreement that refers to Medical Aid must be adhered to at all times.
- 5.1.2 The Municipality will subsidise the Medical Aid Scheme contribution of a permanent employee registered as the principal member on an accredited medical aid scheme with 60% of the total contributions to a maximum amount as determined annually by the SALGBC.

- 5.1.3 An employee may elect movement from one accredited medical aid scheme to the another accredited or change option within their medical aid scheme on annual basis during the freedom of association period, with a notice of one calendar month before termination of his/her current medical aid scheme. Any changes will therefore be with effect from 01 January the following year.
- 5.1.4 An employee who terminates membership of a medical aid scheme during the course of the year and/or after interruption in membership, who wants to join a medical aid scheme, will only be subsidised with effect from 01 January of the following year.
- 5.1.5 A waiting period may be applicable where an employee joins a medical aid scheme on a date other than his/her date of appointment, subject to the rules of the medical aid scheme in question.
- 5.1.6 An employee shall give one calendar months' notice to a medical aid scheme if termination of membership is required.
- 5.1.7 The spouse/life partner and/or dependants of a principal continued member who pass away may continue with the medical aid scheme membership in which case the Municipality will be responsible for 70% of the total contribution to a maximum as determined annually by the Bargaining council, subject to paragraph 5.4.3 of this policy. *The unborn dependant of the deceased is included in this benefit.*
- 5.1.8 An employee dismissed for misconduct, poor performance or who resigns, retires or terminates relating to ensuing disciplinary proceedings, shall not qualify for continued membership of a medical aid scheme.

## **5.2. REGISTRATION OF DEPENDANTS**

The Municipality shall subsidise the following dependants to a maximum amount as determined by the Bargaining Council:

- 5.2.1 The spouse or life partner (one spouse/life partner), biological children, foster children and adopted children of a principal member. Confirmation of dependency must be submitted e.g. marriage certificate, birth certificate, sworn declarations and/or court documents.

*Former spouses will not be subsidised by the Employer. After a divorce has been finalised, the employee should notify HR immediately in order to terminate the relevant subsidy.*

- 5.2.2 Child dependants shall be subsidised by the Municipality, if they adhere to the provisions as set out in the rules of the relevant medical aid scheme and is classified by the relevant medical aid scheme as a "child dependant".

- 5.2.3 A principal member of a medical aid scheme may register any close family member as a special dependant on a medical aid scheme, subject to confirmation of financial dependency and the rules of the medical aid scheme in question in which event no subsidy will be payable.
- 5.2.4 Subsidy for employees with disabled children, who are accepted by the medical aid scheme as a “child dependant for life”, is subject to approval by the Municipal Manager.

### **5.3. CLAIM PROCEDURES AND PAYMENT OF CONTRIBUTIONS**

- 5.3.1 It is the employee’s responsibility to submit claims within the prescribed period to the medical aid scheme. Human Resources will provide a support function to all employees when required.
- 5.3.2 The municipality will ensure that premiums are paid over to the medical aid scheme on date as agreed with the medical aid schemes.
- 5.3.3 The employee must ensure that applications for membership, registration and de-registration of dependants and termination of membership is submitted timeously to the Human Resources Department.

### **5.4. CONTINUED MEMBERS**

- 5.3.4 The medical aid scheme contributions of an employee who retires or whose services are terminated as a result of ill health and disability benefits, approved by the relevant retirement fund and subject to the definition of continued member in paragraph 2, will be subsidised by the Municipality
- 5.3.5 Should a continued member or an active employee, who was a member of a medical aid scheme pass away, the spouse/life partner and dependants registered on the medical aid scheme as at date of death of the principal member will be subsidised by the Municipality – this will also include the unborn biological child of the principal member.
- 5.3.6 Should the spouse/life partner in 5.4.2 above, terminate the membership of a medical aid scheme and/or there is an interruption in membership, the benefit lapses and no subsidy will be paid by the municipality, should the spouse/ life partner after a period of interrupted membership decides to join a medical aid scheme again.
- 5.3.7 Should a continued member or an active employee, who was a member of a medical aid scheme pass away, and the spouse/life partner gets re-married, the spouse and dependants registered on the medical aid scheme as at date of death of the principal continued member will be the only beneficiaries subsidised by the Municipality.
- 5.3.8 The 30% contribution of a continued member must be paid directly to the medical aid scheme.

5.3.9 The municipality will be responsible to pay the 70% contribution to the medical aid scheme up to the maximum employer's contribution as determined annually through bargaining processes.

5.3.10 A continued member, whose membership has been terminated based on the medical aid schemes rules, forfeits any claim on subsidy by the Municipality.

5.3.11 A continued member must submit a confirmation of existence (sworn declaration), proof of income and residential address at the Human Resources Department before 15 November of each year for calculation of medical aid scheme contributions for the next year starting 01 January. If this documentation is not submitted to Human Resources section, the Municipality may terminate the payment of employer contributions.

5.3.12 A continued member must complete the attached agreement which stipulates the terms and conditions under which continued medical aid membership post retirement is granted. The subsidy will be paid over, once the completed agreement is submitted to Finance.

## **6. IMPLEMENTATION AND MONITORING**

This policy will be implemented and effective, once recommended by the Local Labour Forum and approved by Council.

## **7. COMMUNICATION**

This policy will be communicated to all Municipal employees using the full range of communication methods available to the municipality.

## **8. POLICY REVIEW**

This policy will be reviewed annually and revised as necessary.

## **9. BUDGET AND RESOURCES**

The financial and resource implication/s related to the implementation of this policy should be qualified and quantified.

## **10. ROLES AND RESPONSIBILITIES**

The Municipal Manager or his/her delegate assignee accepts overall responsibility for the implementation and monitoring of the policy.

### **11. PENALTIES**

Non-compliance to any of the stipulations contained in this policy will be regarded as misconduct, which will be dealt with in terms of the Disciplinary Code.

### **12. DISPUTE RESOLUTION**

Any dispute arising from this policy due to ambiguous wording or phrasing must be referred to the Local Labour Forum for adjudication. Resolutions from the Local Labour Forum must be incorporated into the policy.

### **13. AUTHORITY**

Formulated by:

Date:

Consulted: LLF:

Date:

MM Approval:

Date:

Council Approval:

Date:





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## **MEMORANDUM OF AGREEMENT**

**ENTERED INTO BY AND BETWEEN**

**BREED VALLEY MUNICIPALITY**

(hereinafter referred to as “the Municipality”) conducting business at **51 Baring Street, Worcester** and herein represented by **(Name & Surname of the Accounting Officer)** duly authorized thereto in his capacity as **Municipal Manager**;

**AND**

**(Name & Surname)**

**(Identity Number:.....)**

**Cellphone Number: .....**

**Email Address: .....**

(hereinafter referred to as “the retired Employee”).

WHEREAS the Municipality and the retired Employee entered into a Contract of Employment in terms of which the retired Employee has been appointed by the Municipality with effect from **(date)**;

AND WHEREAS the retired Employee has informed the Municipality on **(date)** in writing that he/she will terminate his/her services at the Municipality as of the close of business on **(date)**;

AND WHEREAS the retired Employee acknowledges and agrees that as from the aforementioned date he/she will cease to be an Employee of the Municipality and will no longer be eligible for, or receive any benefits of employment except for the benefits described in this Agreement;

AND WHEREAS the retired Employee has expressed his/her desire to retain membership of a medical aid scheme accredited by the South African Local Government Bargaining Council (SALGBC);

AND WHEREAS the parties wish to be clear on the legal consequences that any act or failure in the performance of such duties and obligations, as well as any act or failure by any other person may have for the parties.

NOW, THEREFORE, the parties hereto agree as follows:

## **1. OBJECTIVE AND PURPOSE OF AGREEMENT**

The objective of this Agreement is to define the objectives as well as the duties, responsibilities, obligations and rights of the Municipality and the retired Employee pertaining to post-retirement medical aid scheme contributions to ensure that the retired Employee continues to enjoy medical cover in retirement subject to the conditions contained in this Agreement;

## **2. MEDICAL AID SCHEME**

The retired Employee, who has enjoyed the benefit of a subsidy of his/her medical aid scheme contribution prior to his/her retirement, has elected in a letter dated **(date)**, directed to the Municipality, to continue medical aid coverage with an accredited medical aid scheme after his/her retirement.

## **3. COMMENCEMENT OF THE AGREEMENT**

Notwithstanding the date of signature, this Agreement commences on the first day after the retired Employee's official retirement date.

## **TERMINATION OF THE AGREEMENT**

This Agreement shall terminate on an earlier date if the retired Employee gives written notice of his/her intention to terminate his/her membership with the accredited medical aid scheme.

This Agreement shall terminate with immediate effect if the retired Employee breaches any terms and/or conditions of this Agreement.

4.3 In the event of the retired Employee's death, this Agreement will remain in force, and the provisions shall continue to apply in respect of the remaining registered dependent of the retired Employee.

4.4 This Agreement shall terminate with immediate effect on the date when the last surviving of either the retired Employee and/or his registered dependent decease.

## 5. CONTRIBUTION PERIOD

The post-retirement medical aid scheme contribution period will commence on the first day of the month following the month in which the retired Employee retires.

## 6. CONTRIBUTION PERCENTAGE

6.1 The post-retirement medical aid scheme contribution percentage of the retired Employee at date of commencement of this Agreement amounts to thirty percent (30%) of the monthly medical aid scheme premium towards the accredited medical aid scheme in respect of retired employees appointed.

6.2 The Municipality will contribute seventy percent (70%) of the monthly medical aid scheme premium towards the accredited medical aid scheme on behalf of the retired Employee, **up to the maximum employer's contribution as determined annually through bargaining processes.**

## 7. DUTIES OF THE BREEDE VALLEY MUNICIPALITY

The Municipality shall:

7.1 Contribute seventy percent (70%) of the monthly premium towards the accredited medical aid scheme on behalf of the retired Employee, **up to the maximum employer's contribution as determined annually through bargaining processes.**

7.2 Transfer the Employer's monthly premium on or before the twenty fifth (25<sup>th</sup>) day of each and every calendar month directly into the bank account of the retired Employee's accredited medical aid scheme.

7.3 Inform the retired Employee timeously of any change in the banking details of the Municipality.

7.4 Under no circumstances whatsoever be liable for payment of the retired Employee's thirty percent (30%) contribution of the monthly medical aid scheme premium.

## 8. DUTIES OF THE RETIRED EMPLOYEE

The retired Employee shall:

Be obliged and responsible to contribute thirty percent (30%) per month of the monthly premium towards the accredited medical aid scheme of the retired Employee in order to ensure the continuation of his/her post-retirement medical aid scheme membership.

Promptly pay his/her thirty percent (30%) contribution of the monthly premium of the accredited medical aid scheme directly to the medical aid within the prescribed timeframe as determined by the medical aid scheme.

Be obliged and responsible to annually ascertain and satisfy himself/herself, before payment of the January premium, of the annual premium increase of the accredited medical aid scheme of which he/she is a member.

In general and at all times be obliged and responsible to make sure what the amount of the premium is that has to be paid in connection with the accredited medical aid scheme.

Ensure that the premium increase in (c) and/or (d) above is implemented in terms of his/her thirty percent (30%) of the monthly premium and that arrangements with his/her financial institution has been made to ensure the correct increased payment to the Municipality.

8.2 The retired Employee agrees and understands that:

The Municipality will only be responsible for seventy percent (70%) contribution of the monthly medical aid scheme premium, **up to the maximum employer's contribution as determined annually through bargaining processes** which the

Municipality will pay directly to the relevant medical aid scheme within the prescribed timeframes.

Failure by the retired Employee to pay his/her thirty percent (30%) contribution of the monthly medical aid scheme premium directly to the medical aid scheme will result in arrears and could lead to lapsing of continued medical aid membership.

In the event of clause 8.2(b) above the Municipality shall request the retired Employee's medical aid scheme in writing to cancel the membership of the retired Employee with immediate effect due to the non-payment of his/her thirty percent (30%) contribution of the monthly medical aid scheme premium.

If the medical aid scheme membership of the retired Employee is cancelled at any stage by any of the parties, the retired Employee will not be able to ever again re-apply for the benefit as he/she no longer qualifies for the post-retirement medical aid benefit.

Any dependent that is registered by the retired Employee after the date of his/her retirement shall not be entitled to demand and/or lay claim on the seventy percent (70%) post-retirement contribution of the monthly premium towards an accredited medical aid scheme by the Municipality, **up to the maximum employer's contribution as determined annually through bargaining processes.**

## **9. BREACH OF CONTRACT**

Should the retired Employee breach any or all of the terms and conditions contained in this Agreement the Municipality without detriment to any other remedy which may be available to it in law, shall be entitled to immediately and without any prior notice to the retired Employee, cancel the Agreement, and reclaim any premiums transferred to the retired Employee's accredited medical aid scheme in terms of clause 7.2 together with interest where the retired Employee was in breach of clause 8.1(b) of this Agreement from the retired Employee.

## **10. GUARANTEES AND REPRESENTATIONS**

The Parties acknowledge that no guarantees and/or representations, verbally and/or in writing, persuaded them to conclude this Agreement and that any guarantees and/or representations are not binding on the Parties, unless contained in the agreement.

## 11. NOTICE OF DOMICILIUM

The Municipality's chosen *domicilium* is **51 Baring Street, Worcester, 6850**, with the **Municipal Manager** as addressee.

11.2 The retired Employee hereby chooses **(residential address)** as its *domicilium* for all matters that may arise from this Agreement including, but not limited to, the receipt of all notices and processes of court.

11.3 The retired Employee will be entitled to change its *domicilium* by means of written notice to the Municipality to this effect.

## 12. NOTICE

12.1 All notices served by the Municipality on the retired Employee by virtue of this Agreement, shall either be sent by prepaid registered mail, or be delivered to the retired Employee by hand.

12.2 In the case of notices sent by prepaid registered mail, such notices shall be deemed to have been received by the retired Employee at the latest on the **fifth (5<sup>th</sup>) business day** after the date of dispatch, unless the retired Employee is able to prove the contrary.

12.3 Notices delivered to the retired Employee by hand and for which a dated acknowledgement of receipt has been obtained, shall be deemed to have been received by the retired Employee on the date of delivery, unless the retired Employee is able to prove the contrary.

12.4 All notices served by the retired Employee on the Municipality by virtue of this Agreement shall likewise be deemed to have been duly served, provided that the procedure as prescribed in clauses 12.1 to 12.3 has been followed.

## 13. GENERAL PROVISIONS

13.1 Any relaxation or indulgence which the Municipality may show towards the retired Employee shall not in any way prejudice the exercise of the Municipality's right under this Agreement.

13.2 No variation of this Agreement shall be of any force or effect unless it is in writing and is signed by both the Municipality and the retired Employee.

13.3 This Agreement contains all the terms and conditions of the Agreement entered into between the Municipality and the retired Employee.

13.4 The parties acknowledge that there are no other understandings, representations or terms between the Municipality and the retired Employee.

SIGNED AT **Worcester** ON THIS THE 12<sup>th</sup> DAY OF November 2018

**AS WITNESSES:**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**MUNICIPAL MANAGER**

SIGNED AT ..... ON THIS THE ..... DAY  
OF..... 2018

**AS WITNESSES:**

1. \_\_\_\_\_

2. \_\_\_\_\_

\_\_\_\_\_



**RETIRED EMPLOYEE**

(Residential address)

DATE: .....

The Municipal Manager  
Breede Valley Municipality  
Private bag x  
Worcester  
6850

Sir

**CONTINUED MEMBERSHIP OF (Name & Surname)**

**MEMBERSHIP NUMBER:.....**

Please note that I will terminate my services at the Breede Valley Municipality on  
**(Date)** due to the fact that I will go on retirement.

Hereby I wish to confirm my intention that I want to retain my continued membership of the above mentioned medical scheme with effect from **(date)** and undertake to strictly honour my financial obligations of 30% contribution in respect of my membership fees.

I also confirm that I want to continue with my GAP cover and in this regard also undertake to strictly honour my financial obligations regarding this coverage at the end of each calendar month.

The above mentioned taken into account I undertake to enter into the prescribed Memorandum of Agreement in order to confirm that I will honour my financial obligations in this regard.

Yours faithfully

.....

SURNAME & INITIALS: SIGNATURE