



**CAPE WINELANDS DISTRICT**

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## **MEDICAL FUNDS ADMINISTRATION POLICY**

**POLICY ADOPTED BY COUNCIL ON 21 OCTOBER 2021  
AT ITEM C.15.1 [CONFIDENTIAL MEETING]**

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## **1. INTRODUCTION**

This policy clarifies the measures applicable on membership, registration and de-registration of dependents of Medical Schemes accredited with the South African Local Government Bargaining Council (SALGBC).

## **2. PURPOSE AND OBJECTIVES**

The purpose of this policy is to determine conditions applicable to membership of accredited Medical Schemes for full-time and contract employees who are eligible to receive Medical Scheme benefits from the Cape Winelands District Municipality.

## **3. GUIDING PRINCIPLES**

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

3.1 Medical Scheme rules; and

3.2 The Main Collective Agreement of the South African Local Government Bargaining Council (SALGBC).

## **4. SCOPE AND APPLICATION**

This policy applies to all permanent and contract employees who are eligible to receive Medical Scheme benefits from the Cape Winelands District Municipality, excluding the Municipal Manager and Senior Managers reporting directly to the Municipal Manager.

## 5. DEFINITIONS

In this policy, unless the context otherwise indicates –

**“Accredited Medical Scheme”** refers to Medical Schemes approved annually by the SALGBC as a Medical Scheme to which employees may apply for membership.

**“Appointment Date”** refers to the latest date on which the official has been taken into service by the District Municipality for permanent appointment.

**“Calendar Month”** means a period which stretches from the 1<sup>st</sup> of a month to the end of that specific month.

**“Child Dependent”** is a dependent of the principal member, who is defined and classified by the relevant Medical Scheme as a “child dependent”.

**“Employer”** means the Cape Winelands District Municipality.

**“Labour Organisations”** means Cape Winelands District Municipality’s recognised unions, namely SAMWU and IMATU.

**“Life Partner”** refers to a person who lives with the principal member in a permanent relationship, similar to a marriage, at the same address, for longer than 6 months and who are financially dependent on one another.

**“Municipal Manager”** shall mean a person appointed by the Municipal Council as the Municipal Manager for the District Municipality in terms of section 82 of the Local Government: Municipal Structures Act, 2000 (Act No. 117 of 1998).

**“Municipality”** means the Cape Winelands District Municipality.

**“Permanent Employee”** means an employee, excluding a contract employee and a temporary employee, occupying a post on the approved staff establishment of the District Municipality in a permanent capacity, whether full-time or part-time, and excludes an Apprentice, Expanded Public Works Programme employee, Intern, Reservist Fire Fighter and a Student.

**“Senior Managers”** refers to managers who are appointed in terms of section 56 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) and who reports directly to the Municipal Manager.

**“Subsidy”** refers to the Municipality’s contribution to the premium paid to the accredited Medical Scheme, as per the relevant Collective Agreement, towards permanent employees and continued members.

**“Temporary Employee”** means a contract employee, appointed to a post on the approved staff establishment of the District Municipality in a temporary capacity of which such contract will have an exact commencement and termination or period that will run concurrent to the term of office of the Executive Mayor or other full-time political office bearer.

**“Workplace”** refers to the place of work as contemplated in the Labour Relations Act, 1995 (Act No. 66 of 1995).

## **6. LEGAL FRAMEWORK**

This policy and its application must be in accordance with the following legislative prescripts:

6.1 The Constitution of the Republic of South Africa, 1996.

6.2 The Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998).

- 6.3 The Labour Relations Act, 1995 (Act No. 66 of 1995).
- 6.4 The Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000).
- 6.5 The Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997).
- 6.6 All relevant Collective Agreements.

## **7. MEMBERSHIP**

- 7.1 The stipulations of paragraph 4.1 (Part B) or any amendments to the Main Collective Agreement must be applied at all times.
- 7.2 Membership to a Medical Scheme will be optional to all employees from TASK post level T3 – T6 and obligatory to all employees from TASK post level T7 and TASK grades above T7, from the date of approval of this policy.
- 7.3 Membership to a Medical Scheme is very important as it assists employees to obtain medical assistance in terms of incapacity claims and during a pandemic such as Covid-19. Medical care plays a vital role to receive immediate medical attention.
- 7.4 The District Municipality will subsidise sixty percent (60%) of the Medical Scheme contribution of a permanent or contract employee who is registered as the principal member on an accredited Medical Scheme to a maximum amount as determined annually by the Salary and Wage Collective Agreement.

- 7.5 The employee must contribute forty percent (40%) of the monthly Medical Scheme contribution and is responsible for the shortfall, if any, between the maximum employer contribution to an accredited Medical Scheme. The latter amount will be agreed to from time-to-time by the Parties to the South African Local Government Bargaining Council (SALGBC) and will be published in the Salary and Wage Collective Agreement.
- 7.6 Only in respect of existing employees who have registered dependant parents as members on their medical scheme, they are responsible for the penalty payment in terms of financially dependent parent(s) who resides at the same address as the employee, who did not belong to a Medical Scheme prior to joining an accredited Medical Scheme at the Cape Winelands District Municipality.
- 7.7 An employee may only change membership of a Medical Scheme or Medical Scheme option annually during the window period as determined by the Bargaining Council, with a notice period of one calendar month before termination of his/her current Medical Scheme.
- 7.8 An employee who terminates membership of a Medical Scheme during the course of the year and/or after interruption in membership and who wants to join a Medical Scheme, will only be subsidised with effect from 1 January of the following year.
- 7.9 A waiting period of 3 months may be applicable when an employee joins a Medical Scheme on a date other than his/her date of appointment, subject to the rules of the Medical Scheme in question.
- 7.10 An employee shall give one calendar months' notice to a Medical Scheme if termination of membership is required.

- 7.11 The spouse and/or dependants of an employee who pass away may continue with Medical Scheme membership in which case the District Municipality will be responsible for seventy percent (70%) in the case of employees who commenced service prior to 01 July 2003 and sixty percent (60%) in respect of employees who commenced service with effect from 01 July 2003 of the total contribution, to a maximum as determined annually by the South African Local Government Bargaining Council, subject to paragraph 8 of this policy. The unborn dependant of the deceased is included in this benefit.
- 7.12 An employee who is dismissed for misconduct, poor performance or who resigns or terminates his/her employment in terms of section 9.1 of the Disciplinary Procedure Code Collective Agreement, shall not qualify for continued membership of a Medical Scheme.
- 7.13 Employees who are appointed with effect from 01 July 2018 are not eligible to receive post-retirement Medical Aid Scheme benefits.

## **8. REGISTRATION OF DEPENDANTS**

The District Municipality shall subsidise the following dependants to a maximum amount as determined by the stipulations of the Salary and Wage Collective Agreement.

- 8.1 The spouse or life partner (one spouse or life partner), biological children, and foster children and adopted children of the main member (confirmation of dependency must be submitted, e.g., marriage certificate, birth certificate, sworn declaration and/or court documents). Ex-spouses will not be subsidised by the District Municipality. After a divorce has been finalised, the employee should notify the Division: Human Resources immediately in order to terminate the relevant subsidy.



- 8.2 The following dependants of employees to be newly appointed from the date of the approval of this policy by Council, will not qualify for Employer contributions from the Cape Winelands District Municipality towards accredited Medical Schemes:
- 8.2.1 ex-spouses;
  - 8.2.2 parents, adopted parents and parents-in-law;
  - 8.2.3 grandchild or grandchildren;
  - 8.2.4 adult dependants, other than spouse;
- 8.3 Employees who currently qualify for Employer contributions from the Cape Winelands District Municipality in respect of the dependants as listed in paragraph 8.2, shall retain such benefit on a personal-to-incumbent basis, however existing employees will not be allowed to add such dependants from the date of the approval of this policy by Council.
- 8.4 Child dependants will be subsidised by the District Municipality, if they adhere to the provisions as set out in the Rules of the relevant Medical Scheme / is classified by the relevant Medical Scheme as a child dependent.
- 8.5 The principal member of a child dependant who is still studying will be responsible to provide proof annually to the relevant Medical Scheme and to the Cape Winelands District Municipality, failure to provide such proof will result in the termination of the membership in respect of such a child or children.

- 8.6 Subsidy for employees with disabled brothers or sisters who are in the care of such an employee and resides and is financially dependent on the employee, who are accepted by the Medical Scheme as a child dependent for life, is subject to approval by the Municipal Manager.
- 8.7 The District Municipality will not subsidise a child or children who are not registered students and who are being regarded by the relevant Medical Scheme as an adult dependant or dependants, irrespective of financial status or dependency.

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

- 9.1 It is the employee's responsibility to submit medical claims within the prescribed period to a Medical Scheme. The Division: Human Resources will provide an administrative support function to all employees when required.
- 9.2 The District Municipality will ensure that premiums are paid over to accredited Medical Schemes on a date as agreed to by the Medical Schemes.
- 9.3 It is the responsibility of an employee to ensure that applications for membership, registration and de-registration of dependants and termination of membership are submitted timeously to the Division: Human Resources.

## **10. AMENDMENTS**

The Council may from time-to-time amend this policy and introduce any measure(s) to ensure efficient, economic and effective management of Council resources.

## **11. EFFECTIVE DATE**

The Medical Funds Administration Policy will become effective upon approval thereof by the Council of the Cape Winelands District Municipality.

## **12. RECOURSE ON APPLICATION**

If there is any grievance/dispute that may arise about the application of this policy, it shall be handled in terms of the grievance procedure or disciplinary procedure collective agreement of the South African Local Government Bargaining Council.