

DR. PIXLEY KA ISAKA SEME LOCAL MUNICIPALITY



MEDICAL AID POLICY

2025-2026

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1. SCOPE OF APPLICATION

This policy shall be observed by Dr Pixley ka Isaka Seme Local Municipality and will apply to all employees who are members of Medical Aid Schemes and those who are pensioners - who qualify for participation in accordance with the criteria set out below.

2. AIM OF POLICY

The objective of this policy is to provide financial help to employees and pensioners to meet the medical expenses incurred by an employee/pensioner and his/her dependants. It is a form of insurance policy against illness and hospitalization.

3. CRITERIA FOR PARTICIPATION

All Employees and Pensioners who are covered by an accredited medical scheme.

4. WHO QUALIFIES FOR THE POLICY

4.1 All Employees : refers to all employees who are members of the medical aid scheme and contributing monthly to the medical aid scheme and shall make use of this policy.

4.2 Pensioners : refers to all pensioners who have retired from the employ of Council but they are members of the medical aid scheme and contributing monthly to the medical aid scheme and shall make use of this policy.

5. POLICY

5.1 Every DPKISLM employee is expected to become a member of a medical scheme as a condition of employment.

5.2 DPKSILM subsidises the medical contribution of employees by 60% and the employee and the pensioner contribute 40%.

5.3 Only the following funds accredited by the SALGBC will be recognised:

- SAMWU MED
- LA HEALTH
- BONITAS
- KEY HEALTH

6. PROCEDURE

- Medical aid contributions are paid monthly in advance which means that employees and pensioners will need to contribute monthly.
- The employee and the pensioner as well as their dependants are covered by the scheme and the monthly contribution depends on the number of dependants included in the scheme, the employee's salary and the scheme he/she selects.
- Dependants are:
 - The spouse of the member including common law / same sex spouse.
 - The child /children of the member, which includes a member's unmarried child above the age of 21 who as a result of a mental or physical defect does not receive income.
 - Any dependent children up to age 25, who are full-time students attending a university or recognised college of higher education, provided a certificate from such university or college is produced each year.
 - Parents with regards to extended families. such as (mother/father or In-Laws) not optional

All employees and pensioners enjoy the same benefits irrespective of income and they are detailed in the Medical Aid Rules.

7. CHANGE OF STATUS OF PRINCIPAL MEMBER

Members who have a change in status (e.g. marriage, re-marriage, divorced, birth of an infant or legal adoption) are required to notify Human Resources of such changes immediately, who will then notify the medical aid scheme. Failure to do so could render such members liable to forfeiture of all benefits in respect of their new status, until they have given the required notification and paid the applicable contribution.

8. BENEFITS

Benefits are provided in accordance with the rules of the medical aid scheme. It is the responsibility of the principal member to consult with the medical aid scheme before proceeding with any treatment where there is any doubt that such treatment qualifies for benefit.

9. CLAIMS PROCEDURE

The submission of claims and the payment of medical aid accounts are the responsibility of the principal member.

Human Resources can be contacted to assist employees and pensioners who want to acquaint themselves with processes for the submission and payment of claims. Employees and pensioners are encouraged to contribute to the medical aid scheme as mandated by the Main Collective Agreement and failure to contribute the medical aid through back -payment then the medical aid must be cancelled.

10. MEDICAL AID SOURCE CODE/TAX

Employer contributing to a medical aid on your behalf, their portion will be included on your IRP5 as a fringe benefit in the income section. This means that you will get taxed on the employer amount which is paid for you. Just think of it as part of your salary package.

Can my scheme terminate my membership of the scheme in case of

- 01 retrenchment
- 02 redundancy or retirement

Each and every employee must belong to one medical scheme as the same time,

10. APPLICATION OF THE POLICY

This policy shall apply to all employees and pensioners who are members of medical aid schemes accredited by Council. The Medical Aid Policy of Dr Pixley Ka Isaka Seme Local Municipality shall come into force on 1 July 2025.

M A NGCOBO
MUNICIPAL MANAGER

DATE