



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

*Approved by Council
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1. INTRODUCTION

This policy defines the guidelines applicable to the membership of accredited medical schemes, registration of dependants, associated procedures, and the status of continuing members of such schemes.

2. LEGAL MANDATE

The policy is founded on the following legal and general directives, including but not limited to:

- 2.1 Medical Scheme Rules
- 2.2 Main Collective Agreement

3. PURPOSE

The objective of this policy is to establish the conditions applicable to the membership of accredited medical schemes for permanent employees and continuing members.

4. DEFINITIONS

- 4.1 **“Accredited Medical Scheme”**: Medical schemes annually approved by SALGA for municipal employees.
- 4.2 **“Appointment Date”**: The official date on which an employee begins service with the Municipality.
- 4.3 **“Calendar Month”**: A time frame spanning from the first day to the last day of a specific month.
- 4.4 **“Council”** refers to the Bargaining Council
- 4.5 **“Child”**: means a person who is under 18 years of age.
- 4.6 **“Continuing Member”**: An individual who retires on pension or leaves service due to medical incapacity, in accordance with pension scheme rules.
- 4.7 **“Dependant”**: The spouse, life partner (one spouse or life partner), biological children, foster children, and adopted children supported by the principal member.
- 4.8 **“Life Partner”**: A person cohabiting with the principal member in a committed relationship governed by a domestic contract defining mutual responsibilities.
- 4.9 **“Retirement Fund”**: Any Pension or Provident Fund accredited with SALGA.
- 4.10 **“Spouse”**: A natural person legally bound to the principal member via marriage, or a customary union recognized by South African law.

4.11 “Subsidy”: The Municipality’s contribution to medical scheme premiums for permanent employees and continuing members, as outlined in the Collective Agreement.

4.11 “Termination of Service”: Termination of Service means a termination of employment or service relationship with Overstrand Municipality for any reason whatsoever.

5. MEMBERSHIP

5.1 Membership terms are set out in paragraph 4.1 of the Main Collective Agreement, which stipulates:

5.1.1.1 The *Council* shall annually approve medical schemes meeting accreditation criteria.

5.1.1.2 Employer contributions shall be made to accredited medical schemes on behalf of employees.

5.1.1.3 Dependants may not be registered across multiple schemes.

5.1.1.4 Scheme members may opt annually, before 1 January, to switch to a Council-accredited scheme.

5.1.1.5 Any scheme breaching threshold criteria shall lose accreditation, entitling affected members to reselect.

5.1.1.6 Only employees registered with an accredited scheme qualify for the medical aid subsidy.

5.1.1.7 Employees who opt out of accredited schemes will forfeit the medical aid subsidy.

5.2 Medical scheme contributions for employees registered as principal members on accredited schemes will be subsidised in accordance with the Bargaining Council agreement.

5.3 Scheme members may opt to change Medical Schemes or Medical Scheme options annually before January 1.

5.4 An employee who terminates membership of a Medical Scheme during the year, and/or after interruption in membership who wants to join a Medical Scheme, will only be subsidised with effect from 1 January of the following year.

5.5 Waiting periods may apply if employees join schemes outside their appointment dates, subject to scheme rules.

5.6 Written notice of at least one calendar month is required for terminating scheme membership, unless otherwise specified in scheme rules.

5.7 If a continuing member passes away, eligible dependants will receive contributions per the Bargaining Council agreement.

5.8 The Municipality's subsidy obligations cease immediately upon an employee's termination of service.

6. REGISTRATION OF DEPENDANTS

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

6.1 Dependants eligible for subsidies include spouse, life partner, children and full-time students, as defined by scheme rules, with proof of enrolment.

6.2 Additional dependants may be registered based on financial dependency, and scheme rules, but subsidies will not apply to dependants outside clause 6.1.

6.3 Employees registering life partners must provide the municipality's Human Resources Department a cohabitation or domestic agreement to confirm mutual rights, and medical benefits.

6.4 Subsidy for employees with disabled children / adult dependants, who are accepted by the Medical Scheme as a child / adult dependent for life, is subject to approval by the Municipal Manager or his/her delegate. (Medical proof needs to be provided).

6.5 The municipality will only subsidise one adult excluding adult dependants.

7. CLAIM PROCEDURES AND PAYMENT OF CONTRIBUTIONS

7.1 Employees are responsible for submitting claims within prescribed periods. The Human Resources Department provides administrative support, and services as needed.

7.2 The Municipality ensures timely payment of premiums to medical schemes, per agreed terms.

7.3 Employees are responsible to submit completed applications for membership, registration or deregistration of dependants, and termination of membership promptly to the Human Resources Department.

8. CONTINUED MEMBERS

8.1 Retired employees or those leaving service due to medical incapacity, with 10 or more years of service, and over 50% of service within accredited schemes, are eligible for subsidies. Employees with less than 10 years of service do not qualify for post-service subsidies. Section 56 and 57 employees under the Municipal Systems Act are excluded unless they qualify in terms of the above conditions.

8.2 Upon a continuing member's death, only dependants registered at the time of death are eligible for subsidies.

8.3 If a spouse in 8.2 above terminates scheme membership, and later re-enrols, the subsidy is forfeited.

8.4 The contribution of a continued member must be paid into the account of the Medical Scheme directly or debit order. The debit order is not compulsory it's a choice or option.

- 8.5 Should the contributions of a continued member be outstanding for more than 60 days the membership will be terminated by the Municipality with immediate effect. Member should made provision for two months. The member will still be responsible for the payment of the total outstanding member contributions.
- 8.6 A continued member, whose membership has been terminated due to non-payment of the contributions, will forfeits any claim on future subsidy by the Municipality.
- 8.7 Employees who retires according to the rules of his/her Retirement Fund between the ages of 50 and 65, and who does not take up any other employment at any other employer from date of termination qualifies for continuous membership, and subsidy from the employer.
- 8.8 The total of 70% employer contribution amount may not be increased due to changes in Medical scheme funds or option, or by means of adding additional dependents, after the initial date of terminating permanent employment, but can only increase as a result of the annual increases in the Medical aid premiums. A continued member may change from fund or option, and may add additional dependents, but any increases in the total contribution payable will be for the continued member's own account.

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