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Department
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MEDICAL AID MEMBERSHIP



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Department:
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REPUBLIC OF SOUTH AFRICA

TO: DEPUTY DIRECTORS-GENERAL
CHIEF DIRECTORS
REGIONAL MANAGERS
PRINCIPALS OF TVET COLLEGES
TRAINING AND DEVELOPMENT UNITS

HRM CIRCULAR NO 3 OF 2019

PROCEDURE DIRECTIVE ON MEDICAL AID MEMBERSHIP

1. INTRODUCTION

In order to ensure easier accessibility and affordable medical cover for employees and their families, all DHET employees are encouraged to join GEMS, for which the Employer medical subsidy can be secured. In addition, the Department aims to provide financial assistance to meet the medical expenses incurred by an employee and his/her Dependents, as per the provisions of the PSCBC Resolution 1 of 2006, as well as all other relevant resolutions and determinations.

2. OBJECTIVES

The objectives of this Directive are the following:

- 2.1 To set out a procedure in respect of medical aid subsidy benefits and membership of the DHET (GEMS and other registered Medical Schemes).
- 2.2 To provide guidelines and a framework for employees to access medical aid and the Employer subsidy.

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3. LEGISLATIVE FRAMEWORK

This Directive complies with the following legal and regulatory framework:

- 3.1 Constitution of the Republic of South Africa Act No. 108 of 1996
- 3.2 Public Service Act, 1994 as amended
- 3.3 Labour Relations Act No. 66 of 1995, as amended
- 3.4 White Paper on Transformation of the Public Service Act, 1995
- 3.5 White Paper on Human Resource Management, 1997
- 3.6 PSCBC Resolution 13 of 1998
- 3.7 Employment of Educators Act No. 76 of 1998, as amended
- 3.8 Medical Scheme Act, No. 131 of 1998
- 3.9 White Paper on Affirmative Action, 1998
- 3.10 PSCBC Resolution 3 of 1999
- 3.11 Public Finance Management Act, 1999
- 3.12 PSCBC Resolution 9 of 2000
- 3.13 Treasury Regulations, 2001
- 3.14 DPSA Circular 1/2/1/P, 28 March 2002
- 3.15 PSCBC Resolution 1 of 2006
- 3.16 Continuing Education and Training Act No. 16 of 2006, as amended
- 3.17 PSCBC Resolution 1 of 2007
- 3.18 Determination on Medical Assistance for the Public Service, March 2011
- 3.19 DPSA Circular: Incentive Policy Framework for Employees on salary levels 1-12 and those Covered by Occupation-Specific Dispensations (OSDs), 2012
- 3.20 Public Service Regulations, 2016
- 3.21 DHET Delegations of Authority according to the Public Service Act 103 of 1994 and Public Service Regulations of 2016
- 3.22 DHET Labour Relations Manual

NB: Where this Directive and the Delegations of Authority of the DHET differ the Delegations shall take precedence.

4. SCOPE OF APPLICATION

- 4.1 This Directive applies to all employees on salary levels 2-12, who are permanent or fixed-term contract employees for a period of six (6) months or more.
- 4.2 Any other employee appointed on a temporary basis for less than six (6) months will be paid an unstructured benefit of 37% in lieu of benefits, that includes medical aid, pension fund and housing (where applicable).

5. MEDICAL AID PROVISIONS

- 5.1 Medical aid contributions are paid monthly in advance.
- 5.2 DHET employees, (except those on salary levels 1-5) who are members of GEMS contribute a monthly amount of 25% and the Employer contributes the remaining 75% up to the maximum agreed upon at the PSCBC.
- 5.3 The employee, as well as his/her Dependents, are covered by the scheme and the monthly contribution depends on the number of Dependents included in the scheme, the employee's salary and the scheme he/she selects.
- 5.4 The benefits are provided in accordance with the rules of the Medical 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. Medical aid rules for GEMS can be downloaded from the website, www.gems.gov.za
- 5.5 New employees will have a choice of joining a new Medical Scheme, continuing with their existing Medical Scheme, (if applicable) or joining any Medical Scheme that they prefer. New employees must keep in mind that to qualify for the monthly Medical Aid Subsidy they will have to be a member of GEMS.
- 5.6 Members who have a change in their status, (for example, marriage, re-marriage, divorced, birth of an infant or legal adoption) or personal details, are required to notify Human Resources, (if they are members of GEMS) of such changes immediately, who will then notify the medical aid scheme. Failure to do so by members 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. Employees belonging to a private Medical Scheme will be

personally responsible for informing them of any changes in their status or personal details.

- 5.7 The submission of claims and the payment of medical aid accounts are the responsibility of the Principal Member.

6. GENERAL PROVISIONS

- 6.1 The Employer assists the employee by making a contribution towards the medical aid fees by providing him/her with an Employer subsidy. For subsidy purposes, only the fees that are contained in the rules of the relevant registered medical aid scheme will be considered.

- 6.2 The employee must be the Principal Member of the registered Medical Scheme for him/her to qualify for the subsidy.

6.3 Medical Aid for Employees on Medical Schemes (other than Gems) before 1 April 2015

- 6.3.1 An employee who receives subsidy in respect of a registered Medical Scheme (other than GEMS), shall continue to receive their Employer's subsidy of 66,67% of the Employees' membership fees subject to a maximum of R1 014 per month.

- 6.3.2 The employee will cease to receive the Employer's subsidy if he/she either:

- (a) terminates his/her membership with a registered medical aid; or
- (b) becomes a Dependent on his/her Spouse's Medical Scheme.

- 6.3.3 An employee who transfers from one Medical Scheme, (other than GEMS), to another Medical Scheme (other than GEMS), will only retain his/her Employer's 66,67% medical subsidy of the employee's membership fees subject to a maximum of R1 014 per month only if the effective date of the transfer is immediately after the termination of the previous Medical Scheme.

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6.4 Medical Aid to Employees transferring from other Medical Schemes to Gems

- 6.4.1 Subject to paragraphs 6.4.2 and 6.4.3, an employee who receives an Employer subsidy on 30 March 2015 and any date thereafter joins GEMS on or after 1 April 2015 is eligible for an Employer's contribution of 75% of the Employee's membership fee limited to the Employer's maximum subsidy as indicated in Annexure A.
- 6.4.2 The amount of the Employer subsidy referred to in paragraph 6.4.1, shall not be less than the subsidy payable to the employee on 30 March 2015; and
- 6.4.3 The amount of the Employer's subsidy should not exceed the employee's contribution to his/her membership fees to GEMS.

6.5 Medical Aid to Employees not belonging to a Medical Scheme on 1 April 2015

- 6.5.1 Employees not belonging to a medical aid on 1 April 2015 may join GEMS or any other registered Medical Scheme (depending on whether they are State or College Council employees) on or after 2 April 2015 to be eligible for the Employer's subsidy which is 75% of the employee's membership fee limited to the maximum Employer subsidy as indicated in Annexure A.
- 6.5.2 Employees (that are Principal Members) who qualify for medical assistance will have to provide the Employer with details of the medical aid scheme they belong to for them to receive the benefit.
- 6.5.3 If such an employee is on salary levels 1-5 and joins GEMS on the Sapphire option, the provisions contemplated in paragraph 6.8 will be applicable.
- 6.5.4 If such an employee joins any Medical Scheme other than GEMS, he/she shall not be eligible for the Employer's subsidy.

6.6 Medical Aid for Employees belonging to Gems on 1 April 2015

- 6.6.1 An employee belonging to GEMS on 1 April 2015, shall be eligible to the Employer's subsidy of 75% of the employee's membership fees, limited to the Employer's maximum subsidy as indicated in Annexure A.
- 6.6.2 The amount of the Employer subsidy shall not:
- (a) be less than the subsidy payable to the employee on 1 April 2015; and
 - (b) exceed the employee's membership fees on GEMS.

6.7 Medical Aid for newly appointed Employees

- 6.7.1 The Employer shall, pay an employee appointed by DHET on or after 1 April 2015, (and who joins GEMS), 75% of the employee's membership fees, limited to the prescribed maximum Employer subsidy.
- 6.7.2 If such an employee falls within salary levels 1-5 and is on the Sapphire option, (which is an entry level option on GEMS), further information can be accessed on http://www.gems.gov.za/default.aspx?sNRTTskW-85Zd7r6Z5Go1yRkY8n_hpF3749GgrhEX59xE the provisions contemplated in paragraph 6.8 will apply.
- 6.7.3 An employee who is appointed by the Employer on or after 1 April 2015, and remains or joins any Medical Scheme other than GEMS on or after 1 April 2015, shall not receive the Employer's subsidy towards his/her membership fees.

6.8 Medical Aid for Employees on Salary Levels 1-5 belonging to or joining Gems on the Sapphire Option

The Employer shall pay to an employee that is on salary levels 1-5 who belongs to or joins GEMS on the Sapphire option, 100% of the membership fees limited to the prescribed maximum Employer subsidy.

6.9 Medical Aid for Employees appointed on Fixed-Term Contracts

- 6.9.1 Employees who are employed on fixed-term contracts for more than six (6) months and not receiving 37% in lieu of benefits as provided for in the PSCBC Resolution 1 of 2007 and the CET Act (herein referred to as the fixed-term employee), qualify for the Employer subsidy in terms of this Policy.
- 6.9.2 A fixed-term contract employee appointed before 2 April 2015 and who received the Employer subsidy before 1 April 2015 in respect of a registered Medical Scheme (other than GEMS), shall continue to receive the Employer's subsidy of 66,7% of the employees' membership fees subject to the Employer's maximum subsidy of R1 014 per month.
- 6.9.3 The Employer shall pay to a fixed-term contract employee who:
- (a) belongs to GEMS or who joins GEMS on or after 1 April 2015, 75% of the employee's membership fees, limited to the prescribed Employer's maximum subsidy.
 - (b) is on a salary level of 1, 2, 3, 4 or 5 and belongs to or joins the Sapphire option, 100% of the membership fees, limited to the prescribed Employer maximum subsidy.

6.10 Medical Aid for former Employees

- 6.10.1 The Employer shall continue to provide medical aid benefits, as stipulated by the relevant legislation, to an employee belonging to GEMS that exits the DHET because of:
- (a) retirement, including early retirement;
 - (b) death; or
 - (c) discharge as a result of ill-health or injury on duty.
- 6.10.2 The Employer shall provide the medical aid benefit referred to in paragraph 6.10.1 subject to the following conditions:
- (a) The employee remains the Principal Member of a registered Medical Scheme, subject to paragraph 6.10.2 (c); and

- (b) The employee was a member of a Medical Scheme for at least twelve (12) months before the date he/she exited the Employer's service.
- (c) If a State employee or pensioner dies, and his/her Spouse becomes a Principal Member of the relevant Medical Scheme, the Employer shall transfer the benefits provided for to the Spouse.

6.11 Adjustment to Medical Aid Subsidy

The adjustment to the medical aid subsidy will only be done by the Minister for Public Service and Administration after consultation with the Minister of Finance.

6.12 Termination of GEMS membership and subsidy payment during Unpaid Leave

- 6.12.1 An employee, who terminated his/her membership with GEMS or any other registered Medical Scheme on or after 1 April 2015, shall not be eligible for the Employer's subsidy according to this Directive, until he/she joins a Medical Scheme again.
- 6.12.2 If an employee is on unpaid leave, the Employer shall continue to pay the Employer's subsidy to the employee's Medical Scheme as long as the employee pays his/her contribution to his/her membership fees.

7. PROCEDURE MONITORING

The contents of this Procedure Directive must be strictly adhered to and shall be monitored by the Directorate responsible for Human Resources Management.



Mr GF Qonde
Director-General: Higher Education and Training

Date: 12/05/2019