



RESOLUTION NO 1 OF 2006

MEDICAL ASSISTANCE FOR PUBLIC SERVICE EMPLOYEES

SCOPE

1. This Agreement binds-
 - 1.1 the employer;
 - 1.2 the employees of the employer who are members of the trade union parties to this Agreement; and
 - 1.3 the employees of the employer who are not members of any trade union parties to this Agreement, but who fall within the registered scope of the Public Service Coordinating Bargaining Council (PSCBC).
2. This Agreement excludes employees appointed in terms of the South African Police Service Act, 1995 (Act 68 of 1995), unless otherwise agreed.

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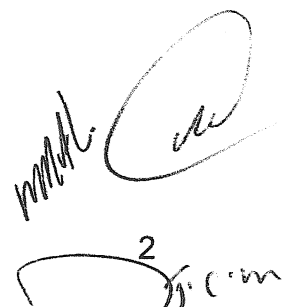
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OBJECTIVES

3. The objectives of this Agreement are to-
 - 3.1 give effect to clause 7.2 of PSCBC Resolution 2 of 2004; and
 - 3.2 replace Part III of the Annexure to PSCBC Resolution 3 of 1999 dealing with medical assistance to employees.

PRINCIPLES

4. This Agreement seeks to give effect to the following principles:
 - 4.1 To ensure greater accessibility by providing affordable medical cover to all employees especially lower-income earners to take up medical cover;
 - 4.2 the alignment of the medical subsidy to the new tax structure;
 - 4.3 the promotion of enrolment of employees to the Government Employees Medical Scheme (GEMS);
 - 4.4 to ensure cost-effective medical cover for employees on GEMS over the long term;
 - 4.5 the efficient administration of the medical subsidy; and
 - 4.6 the recruitment and retention of professionals and employees with scarce skills.



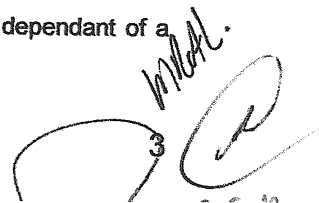
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MEDICAL ASSISTANCE FOR PUBLIC SERVICE EMPLOYEES

- 5.1 In this clause, the word "dependant", in relation to an employee, means his/her dependant as defined in the Medical Schemes Act, 1998 (Act 131 of 1998).¹
- 5.2 The employer shall, with effect from 1 July 2006, pay to an employee who belongs to or joins GEMS, 75% of the employee's total monthly medical contribution, subject to-
- 5.2.1 the maximum cap of the employee tax allowance, comprising of a monthly cap of R500 per principal member, R500 per first dependant and R300 per each additional dependant; and
- 5.2.2 a maximum of R1 900.
- 5.3 The employer shall, with effect from 1 July 2006, pay to an employee on the following salary levels 1, 2, 3, 4 and 5, who belongs to or joins GEMS on the Sapphire option, 100% of the employee's total monthly medical contribution, subject to-
- 5.3.1 the maximum cap of the employee tax allowance, comprising of a monthly cap of R500 per principal member, R500 per first dependant and R300 per each additional dependant; and
- 5.3.2 a maximum of R1 900.
- 5.4 The adjustment to the employer's subsidy as referred to in clause 5.2 and 5.3 will be subject to the salary and conditions of service negotiation process.

¹ "dependant" means—

- (a) the spouse or partner, dependant children or other members of the member's immediate family in respect of whom the member is liable for family care and support; or
- (b) any other person who, under the rules of a medical scheme, is recognized as a dependant of a member".

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- 5.5 An employee who receives the employer's subsidy on 30 June 2006 and joins GEMS on or after 1 July 2006, shall continue to receive a monthly subsidy equal to his/her monthly subsidy as at 30 June 2006, provided that the amount does not exceed the employee's total monthly medical contribution to GEMS.
- 5.6 Subject to clauses 5.7 and 5.8, if an employee terminates his/her membership of GEMS, whether or not he/she thereafter joins another medical scheme, the employer's medical subsidy shall cease.
- 5.7 The employer shall return to negotiations in terms of clause 5.6 in the event that the annual membership subscriptions to GEMS increases beyond Medical Price Index (MPI) and if there is a drastic reduction in benefits per year over the next 3 year period, commencing from 1 January 2007.
- 5.8 If the registration of GEMS is cancelled in terms of the Medical Schemes Act, an employee who was a member of GEMS immediately before the cancellation may join any other registered medical scheme without change to the employer's subsidy applicable immediately before the date of cancellation.
- 5.9 An employee appointed in the public service before 1 July 2006 and who receives the employer's subsidy on 30 June 2006 in respect of a registered medical scheme shall continue to receive the employer's subsidy of 66.67% of total medical contributions subject to a maximum of R1014 per month, provided that the employee remains a member of a registered medical scheme.



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- 5.10 If an employee is on unpaid leave, his/her department shall continue to pay the employer's subsidy to the employee's medical scheme as long as the employee pays his/her contribution.

MEDICAL ASSISTANCE FOR FORMER EMPLOYEES

- 6.1 The employer shall continue to provide medical assistance as provided for in the Appendix to an employee who exits the public service because of-
- 6.1.1 retirement, including early retirement;
 - 6.1.2 death; or
 - 6.1.3 discharge as a result of ill-health or injury on duty.
- 6.2 The employer shall provide the medical assistance referred to in clause 6.1 subject to the following conditions:
- 6.2.1 The service termination results from the reasons specified in clause 6.1;
 - 6.2.2 the employee remains a principal member of a registered medical scheme; and
 - 6.2.3 the employee was a member of the medical scheme for at least 12 months before the date he/she left the public service.
- 6.3 This Agreement shall not affect the medical benefits for persons who left the public service before 1 July 2006.
- 6.4 If an 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 in the Appendix to the spouse.

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5 J.C.M.
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ESTABLISHMENT OF LABOUR COMMITTEE

- 7.1 The trade union parties to the PSCBC may establish a committee to meet with the Board of Trustees of GEMS in a consultative forum, at least four times a year, until the inaugural Annual General meeting of GEMS.
- 7.2 The employer shall invite representatives from among trade union parties who are signatories to this agreement to serve on the Interim Board of Trustees until the inaugural annual general meeting of GEMS.

GENERAL PROVISIONS

- 8.1 The employer undertakes to investigate the extension of the medical subsidy as referred to in clause 5.3 to include employees on salary level 6 and revert to the PSCBC by 1 April 2007 for negotiations.
- 8.2 The employer undertakes to investigate the provisioning of post retirement medical subsidy and revert to the PSCBC by 01 April 2007 for negotiations.
- 8.3 Parties to this agreement shall actively encourage Correctional Services employees to join GEMS and the amalgamation of MEDCOR and GEMS. Trade union parties that are active within the Department of Correctional Services and the Employer shall set up a task team to take this process forward within the next 2 years from date of signature.
- 8.4 This Agreement replaces Part III of the Annexure to PSCBC Resolution 3 of 1999 dealing with medical assistance to employees.

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- 8.5 The representatives of all parties undertake to take reasonable steps to ensure the implementation of this Agreement.
- 8.6 If there is a dispute about the implementation and/or application of this Agreement, any party may refer the matter to the PSCBC in terms of the dispute resolution procedure of the PSCBC.

EFFECTIVE DATE

9. This Agreement takes effect on 1 July 2006.

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J.C.M.
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THIS DONE AND SIGNED AT CENTURION ON THIS
20th DAY OF JUNE 2006.

ON BEHALF OF THE EMPLOYER

	Name	Signature
Employer	K. GOVENDAR	<i>K. Govendar</i>

ON BEHALF OF TRADE UNION EMPLOYEES

Trade Union	Name	Signature
DENOSA	JABU C. MAGABULA	<i>Jabu C. Magabula</i>
HOSPERSA/NUPSAW/NATU	Mandfred Rothboller	<i>Mandfred Rothboller</i>
NAPTOSA		
NEHAWU	ALLISTAIR CHARLES	<i>Allistair Charles</i>
POPCRU	ALEX MANHARR	<i>Alex Manharr</i>
PSA		
SADTU		
SAPU	SILVA PILLAY	<i>Silva Pillay</i>

8 June

Table 1. Benefits for eligible former employees

Note: In this table, "service" refers to employment by an institution funded primarily and directly from the central or provincial budget.

Group	Benefits
<i>(a) An employee who dies or who retires for reasons not related to health:</i>	
(i) Aged at least 50 with at least 15 years of service	Two thirds of the subscription to the employee's medical scheme up to the maximum of R1014 per month.
(ii) Aged under 50 with at least 15 years of service	From age 50, the same as in (i) above.
(iii) With at least ten but under 15 years of service, irrespective of age	A payment of 36 times the employer's monthly contribution to the employee's medical scheme calculated as two thirds of the member's full contribution to the medical scheme up to a maximum of R1014 per month.
(iv) With under ten years of service	A payment of 12 times the employer's monthly contribution to the employee's medical scheme calculated as two thirds of the member's full contribution to the medical scheme up to a maximum of R1014 per month.
<i>(b) An employee discharged for ill health:</i>	
(i) With at least ten years of service	Two thirds of the medical scheme subscription, up to the maximum provided in (a) (i) above.
(ii) With at least five but under ten years of service	A payment of 24 times the employer's monthly contribution to the employee's medical scheme calculated as two thirds of the member's full contribution to the medical scheme up to a maximum of R1014 per month.
(iii) With under five years of service	A payment of 12 times the employer's monthly contribution to the employee's medical scheme calculated as two thirds of the member's full contribution to the medical scheme up to a maximum of R1014 per month
<i>(c) Employees who retire due to an injury on duty:</i>	Two thirds of the medical scheme subscription, up to the maximum provided in (a) (i) above.

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