

# MEDICAL AID POLICY – SOUTH AFRICA

## Applicability

Country(ies)	South Africa
Operating Company(ies)/MRC/Johnson & Johnson location(s)/Local Area(s)	Johnson & Johnson Medical (Pty) Ltd, Johnson & Johnson (Pty) Ltd, Janssen Pharmaceutical
Employee Group(s)	All
Collective Bargaining Unit(s)	N/A

## Policy Summary

This policy outlines the membership criteria and the overall benefits of the Company's Medical Aid Schemes, as a company within the Johnson & Johnson Family of Companies in South Africa. This Policy and any entitlements under it are subject to and governed by the terms of the applicable Medical Aid Scheme. The current scheme of choice is Discovery Health.

## Policy Details

### Membership

Subsidised membership of the company appointed Medical Aid Scheme is available through the Company and is a condition of employment for all new, eligible employees. Contributions are payable in arrears.

Employees who are already registered as dependants on their spouse's medical aid scheme are not eligible for membership except in the case of a life-changing event e.g. death, divorce or retrenchment. Proof of their membership must be submitted for company records. In the event that these employees join the scheme at a later date, they will qualify for the benefit offered, at the time of their joining not as at their date of employment.

Where a grandfathered subsidy or benefit is linked to a service, the date of employment will refer to the Johnson & Johnson date of employment. Where service transfers, even though it will be seen as continuous the subsidy or benefit will apply as at the date of employment by Johnson & Johnson.

### Dependants

An employee who is a principle member of the Company elected Medical Aid Scheme may register the following individuals as his/her subsidised dependants:

- His/her spouse (provided that such spouse does not qualify for benefits from any other scheme).
- His/her natural or legally adopted, unmarried children up to the age of 21 years (provided that such children are unemployed and dependant on their parents).
- Children who are full-time students attending University or a recognised College of Higher Education (provided that a certificate from such University or College is produced each year up to and including age 25). Adult rates are applicable beyond age 21.

All other adult or child dependents of a principle member may join the medical aid scheme, subject to the scheme rules. The principal member will bear the full additional costs of these dependants.

### Continuation Membership

Members who retire from the Company, in accordance with the Provident Fund rules may retain their membership. Retiree membership, including approved dependants, shall continue as long as the member remains permanently resident in Southern Africa and is not a member of another medical aid scheme. An employee who is declared permanently disabled will be considered to be a retiree for duration of his/her disability or until he/she reaches NRA.

Retirees retain their subsidy as at retirement in accordance with the paragraph below on post-retirement subsidy. It is critical that employees understand that the post-retirement subsidy is no longer applicable unless certain historical criteria are met. Human Resources should be contacted for clarity in this regard. Despite any post-retirement benefits and subsidies, members are encouraged to plan so that they have adequate cover, as there is no guarantee that in the future, the subsidy will be in line with the escalation in healthcare costs.

## 2019 Subsidised Plans

2019 Rates	Costs of Discovery Plan (2019)			Subsidy paid by EMPLOYER (2019)			Amount paid by Employee (2019)		
	Member	Spouse / Adult	Child	Member	Spouse	Child	Member	Spouse	Child
Classic Comprehensive	5 368	5 077	1 070	2 400	2 255	476	2 968	2 822	594
Essential Comprehensive	4 509	4 265	908	2 400	2 255	476	2 109	2 010	432
Classic Priority	3 501	2 761	1 401	2 400	2 255	476	1 101	506	925
Classic Saver	3 021	2 382	1 209	2 400	2 255	476	621	127	733
Essential Saver	2 400	1 800	962	2 400	1 800	476	-	-	486
Coastal Saver	2 373	1 783	958	2 373	1 783	476	-	-	482
Keycare Plus (Above limit) R13,050+	2 249	2 249	602	2 249	2 249	476	-	-	126
Keycare Plus (Above limit) R0-13,051	1 456	1 456	463	1 456	1 456	463	-	-	-
2019	EE	EE + 1	EE + 2	COMPANY PAID SUBSIDY			EMPLOYEE CONTRIBUTION		
Vitality	259,00	309,00	359,00	129,50	154,50	179,50	129,50	154,50	179,50

## Vitality

The company will subsidize 50% of the vitality cost, even if employees have dependents on their medical aid membership who does not qualify for the medical aid subsidy.

The standard subsidy is a fixed rand subsidy with increases at the Company's discretion. In the event that an employee "buys down", then the subsidy will be aligned with the plan option chosen, based on the subsidy principle. It is however important to note the following historical arrangements:

*Johnson & Johnson Medical (Pty) Ltd.* Members who joined prior to 01 January 1994 have a high subsidy, members employed from 1 Jan 1994 to 31 October 2008 have a special subsidy. After this date the subsidy will be standard.

*Johnson & Johnson (Pty) Ltd* members who retired prior to 01 December 1999 will receive a special subsidy. After this date the subsidy will be standard.

*Janssen Pharmaceutical* members joining prior to 01 September 1992 have a high subsidy, thereafter the subsidy is standard.

## Table of historical subsidies

Company	High	Special	Standard	Other Subsidies
J&J Medical	EE with J&J DOE preceding 1 Jan 1994 have 100% subsidy of plan.  100% subsidy of Vitality & Key, where applicable	EE with J&J DOE post 1 Jan 1994 have 50% of the chosen plan.  50% subsidy of Vitality & Key, where applicable	EE with DOE post 1 November 2008 receive a fixed rand value as set out above.  Vitality & Key are not subsidized	n/a

J&J Consumer	n/a	EE with J&J DOE preceding 1 Dec 1999 receive a 67% subsidy of plan.	EE with DOE post 1 Dec 1999 receive a fixed rand value as set out above.	50% subsidy for Vitality for retirees with a post-retirement subsidy preceding 31 Dec 2015.
Janssen Pharma	EE with J&J DOE preceding 1 Sept 1992 have 100% subsidy of plan	n/a	EE with DOE post 1 Sept 1992 receive a fixed rand value	50% subsidy for Vitality for retirees with a post-retirement subsidy preceding 1 November 2009.

### **Post-retirement Subsidy**

Employees no longer receive a post-retirement medical aid benefit. Even if a person was employed at a time when the benefit was offered and become a member of the scheme at a later stage, the benefit will **not** be applicable. It will only be applicable where certain historical criteria were met. It is important to note the following with regards to historical arrangements (applicable to employees and their dependants at time of retirement):

*Johnson & Johnson Medical Pty Ltd* employees who were members of the scheme with a J&J date of employment preceding 1 June 2008 qualified for a post-retirement medical aid benefit. With effect from 01 June 2008, all new employees, employees who become members of the scheme due to life changing events or employees who services transferred to Johnson & Johnson will **not** have a post-retirement benefit.

*Johnson & Johnson Consumer Pty Ltd* employees who were members of the scheme with a J&J date of employment from 1 January 2008 qualified for a post-retirement medical aid benefit after 10 years of service. With effect from 1 April 2013, all new employees, employees who become members of the scheme due to life changing events or employees whose services transfer to Johnson & Johnson will **not** have a post-retirement benefit.

*Janssen Pharmaceutical* employees who were members of the scheme with a J&J date of employment from 1 January 2008 qualified for a post-retirement medical aid benefit after 10 years of service. With effect from 1 July 2013, all new employees, employees who become members of the scheme due to life changing events or employees whose services transfer to Johnson & Johnson will **not** have a post-retirement benefit.

Any post-retirement subsidy for dependants will terminate as follows:

- Child dependant : 21 years
- Student dependant : 26 years of age
- Spouse: death or divorce

### **Widow/widowers / Orphans**

Widows and widowers of deceased members will retain the subsidy the member qualified for at the time of death. Widows and widowers of deceased members who have not qualified for post-retirement subsidy have **no** benefit if the employee passes away in service. These members will be allowed to remain on the scheme and elect annual changes and will be subject to changes in the subsidy.

Any post-retirement subsidy for widow / widower dependants will terminate as follows:

- Child dependant : 21 years
- Student dependant : 26 years of age
- Spouse: death or remarriage

## **Change in the Status of the Principal Member**

### **Marital Status**

Members who marry, re-marry, divorce or are widowed subsequent to joining the Medical Aid Scheme, are required to notify the Scheme and the employer within 30 days thereof, and to contribute at the amended rates from the first day of the month following the change in their status. Limits will, however, be adjusted from the date of such change in status.

Members who marry or re-marry subsequent to joining the medical aid scheme and who fail to take the action under this Rule will render themselves liable for forfeiture of all benefits in respect of the new conjugal status until they have given the required notification and paid the applicable contribution.

### **Birth of Infants**

To affect registration as a dependant, members must notify the Scheme and the employer within 30 days of the birth of an infant or of the adoption of a child. Increased contributions in respect of children will be due from the first day of the month following birth or adoption. Benefits will, nevertheless, accrue as from the date of birth or adoption.

### **Benefits**

Members and their registered dependants are entitled to benefits from the first date of the month for which the scheme receives their contributions/membership commences, unless waiting periods are imposed by the scheme.

Benefits are provided in accordance with the rules of the Scheme and may be revised periodically. It is the responsibility of the principal member to consult with the Scheme before proceeding with treatment where there is any doubt that such treatment qualifies for benefit.

Annual limits will be in accordance with the portion of the year that the individual was a member of the fund. Should a person leave the Company before year-end, they will be liable for that portion of savings spent in advance to be collected by the scheme.

An employee will be able to change options once annually in January of each year. Changes of options will be in accordance with the medical scheme rules.

### **Claims Procedure**

The submission of claims and the payment of accounts are the responsibility of the individual member. It is the responsibility of the member to become acquainted with such procedures. Claims should be made on-line or signed accounts should be put into the **Discovery Box**. Members to ensure that the Medical Aid number, name and surname of member, registered name of patient and treatment date are present on the account and are correct. Receipts should be attached if the account was settled in cash.

### **Right to Amend Policy**

The Company reserves the right to modify, suspend, change, or terminate this policy at any time, by providing such notice as may be required by applicable law.

### **Definitions**

NRA: Normal Retirement Age

### **Related Documentation**

N/A

**Effective Date**

1 April 2017

**Policy Owner**

Human Resources