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LEVEL 3 Medical Scheme Policy

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1. PURPOSE OF THE POLICY

The purpose of the Nedbank Medical Scheme Policy is to provide requisite information and guiding principles applicable to the Nedbank preferred medical schemes, Nedgroup Gap Cover, Nedbank Post Retirement Medical Aid funding to eligible Nebank employees, disability claimants, retirees and Loyalty and Rewards Programs offered by the preferred medical schemes.

In this policy document we provide the requisite information for the following:

- a. Preferred medical schemes of Nedbank
- b. Nedbank Post-Retirement Medical Aid (PRMA) Fund
- c. Nedgroup Gap Cover Insurance
- d. Loyalty and Rewards Programmes offered by the Medical Schemes

Refer to the: [My Benefits Intranet site](#) and/or [AF Intranet site](#)

2. OBJECTIVES OF THE POLICY

The objective of the policy is to inform Nedbank permanent employees of the preferred medical schemes.

3. SCOPE OF THE POLICY

This policy applies to the following:

- a. Permanent employees
- b. Eligible Contract Employees



4. NEDBANK MEDICAL SCHEME

4.1 ELIGIBILITY CRITERIA

All permanent employees and eligible contract employees (excluding personal financial planners, as the option is voluntary) of Nedbank Group Limited must belong to one of the preferred medical schemes, namely **Bestmed Medical Scheme, Bonitas Medical Fund and Discovery Health Medical Scheme**.

4.2 KEY PRINCIPLES

Nedbank's preferred medical schemes are Bestmed Medical Scheme, Bonitas Medical Fund and Discovery Health Medical Scheme.

Membership into one of the preferred medical schemes is a condition of employment, unless an employee is a dependant on their spouse's or partner's South African registered medical scheme. Proof of such dependency (i.e. membership certificate) must be submitted prior to joining Nedbank, and then annually during the medical aid audit period. Hospital cash plans and stand-alone medical insurance products do not qualify for inclusion.

Annually an employee will be afforded the opportunity to change their medical scheme and option effective from 1 January of the following year without underwriting. It is important to note that option and scheme changes will not be allowed during a benefit year unless the employee experiences a life changing event which necessitates a plan change within the employees' selected medical aid scheme on any of the Nedbank preferred medical Aid schemes selected. This will be subject to scheme approval and in line with the respective scheme rules. Bonitas and Bestmed will consider upgrades and downgrades during the year, Discovery will only consider downgrades.

Nedbank's healthcare consultants from Alexander Forbes will communicate all relevant dates for option changes, year-end presentation sessions and individual medical scheme consultation sessions to ensure that employees select the most appropriate medical scheme option for the new benefit year.

Should Nedbank change its preferred medical schemes, the employee undertakes to furnish Nedbank or the relevant medical scheme, upon request, with his/her written consent to be transferred to another medical scheme.

Principal members and their dependants are bound by the Rules of the preferred medical scheme.

4.3 UNDERWRITING/ WAITING PERIODS

- a. Medical Underwriting will only apply when members join a medical scheme or dependants are registered in the following instances:
 - i. Members who were on their spouse's medical scheme and who voluntarily resigned to join one of the preferred medical schemes of Nedbank, other than when they first qualified to become a member.
 - ii. Dependants who were not registered at the time that they first qualified to be registered as dependants on the medical scheme.
- b. Depending on previous medical scheme membership or registration as a dependant, the waiting period to be applied may be a three-month general waiting period and/or a 12-month condition-specific waiting period and/or a Late Joiner Penalty (LJP) for dependants over the age of 35 years old.
- c. Waiting periods will not apply for new employees who join a medical scheme within 30 days of first becoming an employee.
- d. Waiting periods will not apply for an employee who undergoes a life-changing event, provided they



join a medical scheme within 30 days of the life-changing event having taken place.

4.4 BENEFIT STRUCTURE

- a. The three (3) medical schemes on offer are open medical schemes and have been selected to offer employees as much choice as possible when it comes to selecting their cover.
- b. These medical schemes offer a variety of plans designed to cater to members' medical needs and, where applicable, those of their dependants. It is imperative that members are fully aware of the benefits and conditions offered under each plan (see the medical schemes' member guides on the applicable website).
- c. The benefit year runs from January to December each year on all the medical schemes.
- d. Cover will commence on 1st of a month and cannot be pro-rated.

4.5 CONTRIBUTIONS

- a. Members contribute monthly to their selected plan and contributions are paid in arrears.
- b. All member contributions towards the medical scheme will be treated as a post-tax deduction. Contributions made by employees to the medical scheme may, subject to the requirements of SARS (as there may be changes from time to time), be eligible for consideration regarding tax credits afforded to taxpayers.
- c. On plan options that require income to determine one's contributions, either Total Cost to Company or Basic salary, the salary formulae applied for the respective schemes' rules are outlined below:
 - i. Bestmed – Basic salary
 - ii. Bonitas – Basic salary
 - iii. Discovery Health – Total cost to company

4.6 TERMINATIONS

4.6.1 DEATH

- a. In the event of the death of an employee who was the principal member with dependants, the dependants will remain on the medical scheme until the last day of the month of the date of death.
- b. In the event of the death of an employee who was the principal member with no dependants, membership will be terminated at the date of death.
- c. The surviving dependants (Spouse, Adult dependants) of the main member may continue with the membership in their name. The member is required to inform Alexander Forbes Health of their intention to continue in writing.
- d. In the event of both the main member and spouse passing away, under age children and permanently disabled members may continue the membership in their name (Surviving dependant). The legally appointed representative will be required to inform Alexander Forbes Health of their intention to continue the membership in writing and provide confirmation of being the legally appointed person.

4.6.2 RESIGNATION OR DISMISSAL

- a. In the event of a resignation or dismissal, the principal member and dependants will remain covered until the last day of the month of termination.
- b. In the event of a resignation or dismissal, the member may continue membership in their private capacity and have the contributions collected from their personal bank account.
- c. The member will be responsible for the full monthly contributions in respect of continuation of membership on the medical scheme selected.
- d. If the member opts to continue with their membership, they will be required to transfer membership in writing, failing which it will automatically terminate without further notice to them.



4.6.3 RETIREMENT

In the event of retirement, continuation is determined by the employee opting to continue with the medical scheme in retirement. All the medical schemes allow for a continuation option where the deductions will be taken from the retiree's personal bank account.

4.6.4 RETRENCHMENT

- a. In the event of retrenchment, the member may continue membership in their private capacity and have the contributions collected from their personal bank account.
- b. The member will be responsible for the full monthly contributions in respect of continuation of membership on the medical scheme selected.
- c. If the member opts to continue with the membership, they will be required to renew membership in writing, failing which it will automatically lapse without further notice to them.

4.6.5 MEDICAL SAVINGS ACCOUNTS (MSA)

- a. In the event the member leaves the medical aid scheme during the benefit year and decides not to continue with the medical aid in their private capacity, a clawback on the medical savings account may be applied if the member has used more than what has been contributed towards the Medical Savings Account.
- b. Any positive Medical Savings Account (MSA) balance of the member who decides not to continue with their membership will be paid out to the member directly after a period of four months from the effective date of termination of membership.

5. POST-RETIREMENT MEDICAL AID FUND

5.1 PURPOSE

The purpose of the Post-Retirement Medical Aid Fund (PRMA) was to provide a partial subsidy in respect of medical scheme contributions of eligible members to one of the approved medical schemes after retirement, death or disability. See [Replacing the Post-retirement Medical Aid Benefit](#) for more information.

6. NEDGROUP GAP COVER INSURANCE

6.1 PURPOSE

The Nedgroup Gap Cover is a short-term health and accident insurance product. The current preferred provider for Nedgroup is Sirago and our intermediary is Nedbank Insurance Distribution (NID). Nedgroup Gap cover is designed to assist members with covering their shortfalls that may arise during a hospital admission for a medical or surgical procedure due to the doctors and specialists charging a higher rate than what the medical scheme pays, or when the member is required to pay a co-payment or upfront cost for a procedure.

Important:

Nedgroup Gap cover is not a medical scheme nor is it a substitute for medical scheme membership. Medical scheme membership is required in order to take gap cover.

6.2 ELIGIBILITY CRITERIA

- a. Any eligible employee of Nedbank who is a member of a registered South African medical scheme can join. Cover will be available for them, their spouse (or life partner) and all dependants registered on their medical scheme membership.
- b. The Gap Cover principal member does not have to be the main member on the medical scheme membership.



6.3 BENEFIT STRUCTURE

- a. **In-hospital benefits** - Gap Cover, Co-payment Cover, Penalty Fee Cover, Day hospital/clinic and/or in-room surgical procedures cover, PMB cover, Hospital account shortfall Cover, Sublimit Enhancer policy, Step-down Benefit and Robotic surgery.
- b. **Out-of-hospital benefits** - Day-to-day Specialist Consultation Fee Shortfall, Emergency Room Cover: Accident and trauma, Illness, Child Emergency Illness for children under 8, Primary Care Consultation Benefit, Appliance shortfall benefit, Preventative care shortfall, Trauma counselling.
- c. **Cancer benefits** - Cancer Co-payment Benefit or Cancer Boost Benefit, Breast Reconstruction Benefit
- d. **Value added benefits** - Medical Aid Premium waiver, Gap Cover Premium Waiver, Initial Cancer Diagnosis, Accidental Death, Sirago Baby
- e. An Overall Annual Limit (OAL) per Insured Person applies to the Core benefits. The Overall Annual Limit is subject to increase on an annual basis.

More information on the Nedgroup Gap Cover Insurance can be found on the website: [AF Intranet site](#)

6.4 KEY PRINCIPLES

- a. It is the responsibility of the member to ensure they are familiar with the benefit information when new changes and contributions are presented for the following year.
- b. No backdating of cover will be allowed.

6.5 COLLECTION OF PREMIUMS

- a. Although the administrator will endeavour to collect premiums every month, it remains the member's responsibility to ensure monthly premiums are deducted.
- b. If no premium is received for two consecutive months, cover will lapse and waiting periods will be applied at reinstalment.

6.6 TERMINATIONS

- a. Employees wishing to cancel gap cover are required to provide cancellation notice of 31 days.
- b. No premium will be refunded if the employee neglects to cancel their policy.

6.6.1 RESIGNATION OR DISMISSAL

- a. On termination of employment the individual may choose an individual gap cover product and complete a continuation form if they want their cover to continue uninterrupted.
- b. If they do not submit a signed continuation form when they exit Nedbank, their cover will lapse automatically.

6.6.2 DEATH

PREMIUM WAIVERS

The premium waiver benefit consists of two sub-benefit categories and is applicable only to active dependants on the Sirago policy at the time of death or total permanent disability

- a. **Gap Cover Premium Waiver:** A premium waiver benefit may be claimed by the surviving spouse or adult dependant on the current Sirago policy in the event of the death or total permanent disability of the Sirago policyholder, irrespective of source of payment of the gap premium. Sirago holds the premium of the policy as a credit against the policy for 12 months if the medical scheme membership is maintained.
- b. **Medical Scheme Premium Waiver:** This is payable in event of death or total permanent disability of the Sirago policyholder and where all beneficiaries are linked to a single medical scheme. In the event of dual medical scheme membership, this benefit is payable only for the medical scheme of the policyholder. Sirago will pay a claim for the medical scheme premium of the actual rand amount



of the contribution, but not higher than the sublimit of R4 500 per month, for a six-month period. This will be paid to the beneficiary nominated on the policy for the upkeep of their medical scheme contributions. The medical scheme membership must remain active during this period and the certificate of membership from the medical scheme must be presented monthly for authentication.

- The surviving spouse or beneficiary will be required to contact the deceased member's HRBP to access the relevant claim forms (continuation option and premium waiver benefit forms).
- It is important to note that these benefits are only valid for six months. Thereafter, the surviving spouse or beneficiary has the option to continue these benefits in their personal capacity.

If the surviving spouse or beneficiary requires advice on the Nedgroup gap cover benefits, they should contact Sirago Contact Centre on (010) 5991163 or WhatsApp +27 76 562 1340 or nedgroup@sirago.co.za.

7. LOYALTY AND REWARDS PROGRAMMES

7.1 PURPOSE

The Medical schemes offer lifestyle, wellness and rewards programmes. Members will be rewarded for taking care of their health and wellness and will enjoy various lifestyle benefits such as discounted gym memberships, travel savings and entertainment.

7.2 ELIGIBILITY CRITERIA

Nedbank allows employees to choose supplementary health products of their choice. All supplementary health products are for the member's own account and payable by debit order

7.3 More information on the various Rewards Programmes can be found on the Alexander Forbes Health website for Nedbank - [AF Intranet site](#)

Application forms can be submitted to nedbank@aforbes.com

8. GLOSSARY OF TERMS

STRUCTURE/ FUNCTION	INTEREST, DUTIES & RESPONSIBILITIES
Act	Shall mean the Medical Schemes Act No. 131 of 1998, including the Regulations published from time to time, and any amendments thereto.
Adult dependant	Shall mean a person other than the spouse, partner or child dependant of the principal member.
Medical Scheme option	Means the registered benefit option of the preferred medical scheme(s).
Child	Shall mean the employee's natural child, legally adopted child or stepchild.
Child dependant	Means a dependant who is under the age of 21 [or older if he or she is permitted under the rules of the preferred medical scheme to be a dependant].
Employee	Shall mean an employee as defined in terms of the Basic Conditions of Employment Act No 75 of 1997 and who qualifies to become a member of a medical scheme in terms of this policy.
Late joiner penalty (LJP)	Means an applicant or the adult dependant of an applicant who, at the date of application for membership, is 35 years of age or older and has not been a member or a dependant of a member of any medical scheme for a period of two years immediately prior to applying for membership.
Partner	A person with whom the employee is in a committed and serious relationship akin to a



STRUCTURE/ FUNCTION	INTEREST, DUTIES & RESPONSIBILITIES
	marriage based on objective criteria of mutual dependency and a shared and common household irrespective of the gender of either party or a person who qualifies as a partner in terms of the Civil Union Act 17 of 2006 or a person who qualifies as a spouse or partner in terms of any other applicable legislation.
Permanent disability	Refers to disability of a member to the extent that he/she is declared to no longer be capable of continuing in employment with Nedbank in any capacity.
Preferred medical scheme(s)	Means the medical scheme(s) selected by Nedbank.
Principal member	Shall mean the employee of Nedbank who is the main member on the medical scheme.
Spouse	Means a person who is the spouse of a member in accordance with the Marriage Act, 1961 (Act No. 68 of 1961) or the Recognition of Customary Marriages Act, 1998 (Act No. 68 of 1997) or the recognised tenets of any religion.
Medical Savings Account (MSA)	Savings that are allocated upfront when a member joins a plan with a Medical Savings Account (MSA) on certain plans; the amount is prorated for members that join in the middle of the benefit year (January to December). This account funds for out-of-hospital medical expenses such as consultations.
Clawback	Money owed to the scheme by the member who terminates their medical scheme membership or changes options during the year after overspending the allocated savings before the end of the year.
Underwriting	A risk management tool that assists the medical schemes in maintaining their long term sustainability.

9. DOCUMENT CONTROL

This table shows the changes that have been made to this policy document.

DATE	REFERENCE	DESCRIPTION
October 2023	Maxine Bizjak	Revised Alexforbes intranet site address
January 2022	Lindelwa Khoza	Inclusions to key principles and contributions
September 2021	Lindelwa Khoza	Policy update – preferred medical schemes
March 2021	Policy Workshop	New policy approved