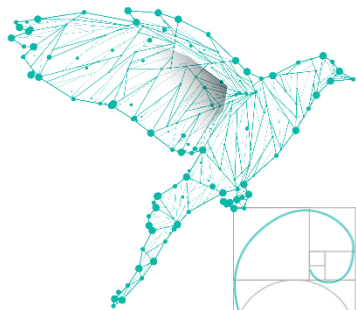


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Medscheme - Contributions and Debt Management

Post Retirement Medical Assistance (PRMA) for former Public Service Employees 2022



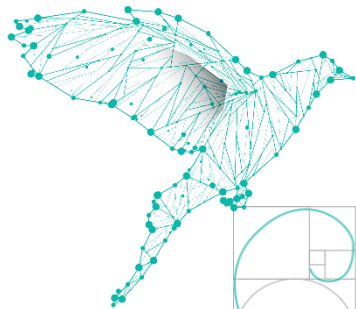
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Contents

Overview

- ✓ Calculation of Contributions
- ✓ Employer Subsidy/Post retirement subsidy
- ✓ Updating of Member contact details
- ✓ Post Retirement Medical Assistance
- ✓ Debt Management
- ✓ Repayment Guidelines



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Contributions



Contributions : Employer Subsidy

Calculation of the Employer Subsidy

- GEMS has **no deciding power** on the determination of medical subsidy.
- The resolution is agreed to in the **PSCBC** and the determination implemented by the **DPSA**.
- Queries regarding subsidy entitlements for 2021/2022 must be discussed with **employer through HR**.
- **2nd flag in manual** - Read the Minister's Determination on Medical Assistance to Public Service Employee to ensure that you have all the information regarding the entitlements of employees in respect of medical assistance. The Determination may be obtained from the DPSA (www.dpsa.gov.za).



Persal: Updating biographical information

- **Updating members biographical information**

- All member contact details e.g. cell phone number and postal address need to be accurate and up to date
- This ensures that members receive all important information from the Scheme in time
- Members will be informed and contacted on an ongoing basis
- Member's salary information

- **Member education**

- Members should be aware of the components that are taken into account when calculating their contribution i.e. income, salary structure, number of dependents, age of dependents
- Collection of arrear contributions, payment arrangements



GEMS OPTIONS

- **GEMS has six different options that members could choose to belong to:**
 - Tanzanite One
 - Beryl
 - Ruby
 - Emerald value
 - Emerald
 - Onyx



Continuation after Retirement

The employer shall continue to provide medical assistance if an employee:

- ✓ Leaves the public service because of retirement (including early retirement), death or dismissal on account of incapacity due to ill health or injury;
- ✓ Please note that qualification for a PRMA is not a requirement for continuation with membership.
- ✓ 6 months prior education:
- ✓ Potential pensioners is identified 6 months prior to retirement and contacted to educate on the process for continuation.
- ✓ Retirement notifications is received monthly via the PERSAL files and members is contacted to confirm continuation and educate on the process.
- ✓ After confirmation of continuation the member will be transferred to a pensioner pay point.



REQUIREMENTS TO QUALIFY FOR PRMA

The employer shall continue to provide medical assistance if an employee:

- ✓ Leaves the public service because of retirement (including early retirement), death or dismissal on account of incapacity due to ill health or injury;
- ✓ Has attained at least 50 years of age
- ✓ Has at least 15 years of actual service; and
- ✓ Remains a principle member of a registered medical scheme for 12 months immediately before the date he/she leaves the public service
- ✓ Should member take a lump sum pay out, he/ she will not qualify for a PRMA

A common Law spouse could qualify for subsidy, if the below criteria is met:

- ✓ Lobola letter or
- ✓ Proof of marriage according to religious tenet or
- ✓ Proof of life partnership approval by GEPP or
- ✓ Life partner application

Please note that the subsidy application can only be processed once the pension application is finalized.



REQUIREMENTS TO QUALIFY FOR PRMA

- ❖ **It is important to note that a widow/widower needs to apply for membership at the medical scheme after the death of the principle member.**
 - ✓ Should deceased member be aged less than 50, the widow/ widower will only be subsidized from the date the deceased would have turned 50. This is also subjected to the deceased member meeting the subsidy criteria.



Determination and Directive for PRMA

- ❖ **With effect from the 1st January 2022 the new dispensation will be calculated as follows:**
 - ✓ 75% to a maximum of R1,624.00 for member
 - ✓ 75% to a maximum of R3,248.00 for member with dependants
 - ✓ Where members where on salary level 1-5 upon retirement they might qualify for 100% subsidy up to a maximum of R3,248.00 upon retirement.



Documents required for application of PRMA



❖ Documents to be submitted to GEPPA at least 4 months prior to retirement month

- ID document member and dependants
- Z583 form signed and stamped by the employer
- Last month of employment's salary advice required
- Choice Form confirming full pension pay out of a monthly pension
- Z894 form to be completed
- Membership Certificate
- Proof of study for students where applicable

Contributions Payable by Pensioner Members

The member will be provided with three (3) options upon deciding to continue with membership as a pensioner

- Paying the full contributions until the PRMA is approved.
- Pay an assumed member share amount (PRMA will be assumed as per the subsidy structure and dependent on the PMRA criteria as stipulated in slide 2).
- Opts for a three (3) month grace whereby the member contributes R0.00 per month. Member will sign a consent form to pay all contributions once off upon debt reaching 90 days. (Dependent on the PMRA criteria as stipulated slide 14)

NOTE 1: The member will be required to choose an option telephonically, as well be provided with an acknowledgement of debt form to be completed.

NOTE 2: If the member won't qualify for subsidy and they must be informed that they are liable to pay the total contributions.



Debt Management Policy

The purpose of this section is provide an overview of the GEMS Debt Management policy.

- **Contribution Debt**

The administrator collects contributions on behalf of the Scheme and the majority of members are active government employees paying contributions via PERSAL.

Member contributions are also received from Government Employee Pension Fund and admitted employer payrolls. Provision is also made for **debit order deduction and cash payments** where the contribution is not paid by the employer. Suspension of members will only take place after administrator or Paypoint failure has been excluded and sign off has been given.

| | |
|-----------------------|----------------------------------|
| Bank | First National Bank |
| Account Number | 62094049593 |
| Account type | Corporate Cheque Account |
| Branch Code | 201109 |
| Branch | Cape Town |
| Reference | Member Medical Aid Number |



When does GEMS Suspend / Terminate membership

| Age Category | Active | Action |
|--------------|-----------|---|
| 0 - 30 Days | Active | No action. Inform member in writing /email AND SMS (inclusive of contribution statement) 30 days after contributions are due. |
| 31 - 60 | Suspended | Suspend Benefits.(if not pay-points/admin related) Notify member in writing/email AND SMS 60 days after contributions are due. Inform member telephonically and advise of suspension. |
| 61 - 90 | Suspended | Keep benefits suspended. Send notice in writing/email AND SMS 90 days after contributions are due. Inform member telephonically and advice that membership is suspended and will remain suspended until the full outstanding amount is received within the repayment guidelines. |
| 91 - 120 | Resigned | Terminate Membership. Notify member in writing /email AND SMS and inform member of intent to list with National Credit Bureau 120 days after contributions are due. Inform member telephonically and advise of termination of benefits. |
| 120 + | Resigned | List the member with Credit Bureau as per applicable credit legislation. Hand-over of debt to debt collecting agency. |



Thank you



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