

FEDHEALTH MEDICAL SCHEME ANNEXURE A 2017

- **COMPREHENSIVE OPTIONS : ULTIMAX & MAXIMA PLUS**
- **MAXIMA EXEC OPTION**
- **MAXIMA ADVANCED OPTION**
- **MAXIMA STANDARD RANGE (STANDARD; STANDARD^{ELECT})**
- **MAXIMA BASIS RANGE (BASIS; BASIS^{GRID})**
- **MAXIMA SAVER RANGE (SAVER; SAVER^{GRID})**
- **MAXIMA CORE (CORE; CORE^{GRID})**
- **MAXIMA ENTRY RANGE (ENTRYZONE; ENTRYSAVER)**
- **DYNAMIC RANGE (DYNAMIC SAVER; DYNAMIC CORE)**
- **BLUE DOOR^{PLUS}**

With effect from 1 January 2017

[To be read in conjunction with Annexures B, C, D and E]

1. CONTRIBUTIONS

The contributions payable shall be based on the number of dependants of the member and in accordance with the tables below.

Note 1, Note 2, Note 3 and Note 4 stated below are applicable, where relevant, on the tables below (1.1 – 1.5) as follows:

Note 1 – Member

Note 2 – Adult dependant

Note 3 – Child dependant

Note 4 – Dependants

Note 5 - Savings

1.1. Comprehensive Options

Ultimax	Risk	Savings	Total
Member	R8,736	R479	R9,215
Adult	R7,422	R407	R7,829
Child	R2,621	R144	R2,765
Maxima Plus	Risk	Savings	Total
Member	R6,369	R371	R6,740
Adult	R5,418	R315	R5,733
Child	R1,910	R111	R2,021

1.2. Maxima Exec Range

Exec	Risk	Savings	Total Contribution
Member	R3,988	R314	R4,302
Adult	R3,398	R268	R3,666
Child	R1,190	R94	R1,284

1.3. Maxima Advanced Range (Previously Ultima 200)

Advanced	Risk	Savings	Total Contribution
Member	R2,926	R325	R3,251
Adult	R2,480	R276	R2,756
Child	R871	R97	R968

1.4. Maxima Standard Range

Standard	Risk	Savings	Total Contribution
Member	R2,486	R546	R3,032
Adult	R2,118	R465	R2,583
Child	R744	R163	R907
Standard^{Elect}	Risk	Savings	Total Contribution

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Member	R1,899	R417	R2,316
Adult	R1,619	355	R1,974
Child	R569	R125	R694

1.5. Maxima Basis Range

Basis	Risk	Savings	Total Contribution
Member	R2,126	R375	R2,501
Adult	R1,810	R319	R2,129
Child	R641	R113	R754
Basis^{Grid}	Risk	Savings	Total Contribution
Member	R1,913	R338	R2,251
Adult	R1,629	R287	R1,917
Child	R577	R102	R679

1.6. Maxima Core Range

Core	Risk	Savings	Total Contribution
Member	R1,907	n/a	R1,907
Adult	R1,616	n/a	R1,616
Child	R667	n/a	R667
Core^{Grid}	Risk	Savings	Total Contribution
Member	R1,716	n/a	R1,716
Adult	R1,454	n/a	R1,454
Child	R600	n/a	R600

1.7. Maxima Saver Range

Saver	Risk	Savings	Total Contribution
Member	R1,767	R312	R2,079
Adult	R1,439	R254	R1,693
Child	R510	R90	R600
Saver^{Grid}	Risk	Savings	Total Contribution
Member	R1,590	R281	R1,871
Adult	R1,295	R229	R1,524
Child	R459	R81	R540

1.8. Maxima Entry Range

Maxima EntryZone	Risk	Savings	Total Contribution
Member	R1,326	n/a	R1,326
Adult	R991	n/a	R991
Child	R446	n/a	R446
Maxima EntrySaver	Risk	Savings	Total Contribution
Member	R1,376	R264	R1,640
Adult	R991	R190	R1,181
Child	R440	R84	R524

1.9. Dynamic Range

Dynamic Saver									
Income	Risk			Savings			Total Contribution		
	Member	Adult	Child	Member	Adult	Child	Member	Adult	Child
≤ R1000	R339	R305	R114	R62	R56	R21	R401	R361	R135
R1,001 – R8,000	R882	R794	R297	R158	R142	R53	R1,040	R936	R350
R8,001 – R10,000	R1,108	R997	R372	R192	R173	R65	R1,300	R1,170	R437
R10,001 – R15,000	R1,220	R1,099	R411	R215	R193	R72	R1,435	R1,292	R483
R15,001 +	R1,334	R1,200	R448	R237	R214	R80	R1,571	R1,414	R528
Dynamic Core – TOTAL CONTRIBUTION									
Income Band		Member		Adult		Child			
≤ R1000		R333		R299		R108			
R1,001 – R8,000		R876		R788		R291			
R8,001 – R10,000		R1,102		R991		R367			
R10,001 – R15,000		R1,215		R1,093		R405			
R15,001 +		R1,328		R1,194		R443			

1.10. Blue Door^{Plus}

Blue Door^{Plus} – TOTAL CONTRIBUTION			
Income Band	Member	Adult	Child
≤R1000	R540	R540	R329
R1,001 – R5,200	R776	R644	R369
R5,201 – R8,500	R984	R813	R475
R8,501 – R10,500	R1,380	R1,145	R522
R10,501 – R12,000	R1,754	R1,375	R677
12,001 +	R2,378	R2,061	R895

- Note 1 Member only.
- Note 2 Adult dependant – a person over 21 years of age or a person of any age legally classified as an adult, and who is legally dependent on the member, excluding such persons who qualify as child dependants up to the age of 27 years.
- Note 3 Child dependant - including a child under 27 years of age who is financially dependent on the member, not in receipt of any regular income greater than the maximum social pension, unmarried, and living with the member or living in a residential situation connected with full time studies at a tertiary education institution.
- Note 4 Dependants – There shall be no limit on the number of dependants that pay contributions.
- Note 5 Savings – the applicable amount in the “**Savings**” columns in tables 1.1 – 1.4, shall be credited to the member’s Personal Medical Savings Account, and deemed the “Current Credit Personal Savings Account” (**PMSA**), as mentioned in Annexure B, where relevant. See paragraph 5 below for further detail on the administration of Savings.

2. TIME FOR PAYMENT OF CONTRIBUTIONS

All contributions shall be payable monthly in arrears, unless otherwise stated, to the account of the Scheme at such place as stipulated and agreed to by the Scheme. All contributions shall be paid to the Scheme within 3 days of the end of the due month and shall be accompanied by the required membership return form fully detailed in respect of changes to membership and contributions.

Where provision has been made for contributions to be payable in advance, these contributions shall be paid to the Scheme within 3 days of the beginning of the due month and shall be accompanied by the required membership return form fully detailed in respect of changes to membership and contributions.

3. PREMIUMS PENALITES FOR PERSONS JOINING LATE IN LIFE

- 3.1. The Scheme may apply premium penalties to a late joiner and such penalties must be applied only to the portion of the contribution related to the member or any adult dependant who qualifies for late joiner penalties. Late joiner penalties are only applicable to members and adult dependants over the age of 35.
- 3.2. The premium penalties referred to in paragraph 3.1 shall not exceed the following bands:

Penalty bands	Maximum Penalty
1 – 4 years	0.05 x contribution
5 – 14 years	0.25 x contribution
15 – 24 years	0.50 x contribution
25 + years	0.75 x contribution

- 3.3. To determine the applicable penalty band to be applied to a late joiner in terms of the first column of the table in paragraph 3.2 the following formula shall be applied:

$$A = B \text{ minus } (35+C)$$

where

“A” means the number of years referred to in the first column of the table in paragraph 3.2 for purposes of determining the appropriate penalty band;

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“B” means the age of the late joiner at the time of his or her application for membership or admission as a dependant; and
“C” means the number of years of creditable coverage which can be demonstrated by the late joiner.

3.4. Where an applicant or his or her dependant produces evidence of creditable coverage after a late joiner penalty has been imposed, the Scheme must recalculate the penalty and apply such revised penalty from the time such evidence is provided.

3.5. Late joiner penalties may continue to be applied upon transfer of the member or adult dependant to other medical schemes.

4. WAITING PERIODS

See paragraph 1 of Annexure D.

5. PERSONAL MEDICAL SAVINGS ACCOUNT (“Savings”)

5.1. ESTABLISHMENT OF A MEMBER’S PERSONAL MEDICAL SAVINGS ACCOUNT

- 5.1.1. A Personal Medical Savings Account (“PMSA”), held by the Scheme, shall be established in the name of each member on admission to the Scheme or this benefit option.
- 5.1.2. The amount towards the member’s PMSA that is included in the total monthly contribution payable by a member, which amount shall not exceed 25% of the member’s total contribution, will be credited to the member’s PMSA after receipt of payment thereof from the member.
- 5.1.3. In the event of a short-payment of the total monthly contribution, the Scheme must allocate the amount received first to the risk portion of the total contribution and then to the PMSA component.
- 5.1.4. Any funds (credit balance) in a member’s PMSA remain the property of the respective member and accumulate in the member’s name.
- 5.1.5. The funds available in the member’s PMSA do not form part of the Scheme’s assets and may not be used to pay Scheme expenses or risk claims. The funds may only be used to pay for the member’s authorised savings benefit claims provided for in the Scheme Rules.
- 5.1.6. Members’ PMSA credit balances shall be held jointly in a separate bank account opened and operated by the Scheme with the following name: **FEDHEALTH MEDICAL SCHEME: PMSA**

5.2. ANNUAL ALLOCATION OF FUNDS TO PERSONAL MEDICAL SAVINGS ACCOUNT

2017 Annualised Savings			
OPTION	P	A	C
Ultimax	R5,748	R4,884	R1,728
Maxima Plus	R4,452	R3,780	R1,332
Maxima Exec	R3,768	R3,216	R1,128
Maxima Advanced	R3,900	R3,312	R1,164
Maxima Standard	R6,552	R5,580	R1,956
Maxima Standard ^{Elect}	R5,004	R4,260	R1,500
Maxima Basis	R4,500	R3,828	R1,356
Maxima Basis ^{Grid}	R4,056	R3,444	R1,224
Maxima Saver	R3,744	R3,048	R1,080
Maxima Saver ^{Grid}	R3,372	R2,748	R972
Maxima EntrySaver	R3,168	R2,280	R1,008

2017 Annualised Savings			
Dynamic Saver (per Income Band)			
≤ R1000	R744	R672	R252
R1,001 – R8,000	R1,896	R1,704	R636
R8,001 – R10,000	R2,304	R2,076	R780
R10,001 – R15,000	R2,580	R2,316	R864
R15,001 +	R2,844	R2,568	R960

5.3. UTILISATION OF BALANCE IN THE MEMBER'S PERSONAL MEDICAL SAVINGS ACCOUNT

- 5.3.1. Any amount available in the PMSA shall be utilised to provide benefits in respect of day-to-day medical expenses.
- 5.3.2. Provided there are actual funds available in a member's PMSA, such funds may, in addition to providing for day-to-day benefits, be utilised to pay for services generally or specifically excluded from risk benefits or where the actual costs exceed the benefit payable or available.

5.4. ADVANCES OF MEDICAL SAVINGS BENEFITS

- 5.4.1. At the beginning of each benefit year or on the date of joining the Scheme or this benefit option, each member shall be allocated a medical savings benefit for the year. This benefit shall be deemed to be an advance by the Scheme to the member and shall be equal to 12 (twelve) times the amount referred to in paragraph 1.2 above, pro-rated in respect of a member who joins the Scheme or this benefit option during the course of the year.

- 5.4.2. A member whose membership of the Scheme or of an option with a PMSA is terminated during the course of a benefit year and whose claims exceeded the savings benefit advance, pro-rated on a monthly basis at the date of termination shall be liable to repay the excess / shortfall to the Scheme.
- 5.4.3. The Scheme reserves the right to charge a member interest (to a maximum of the prevailing *mora* interest rate) on medical savings benefit advances not settled within 30 (thirty) days of resignation from the Scheme or an option with a PMSA.

5.5. ACCUMULATED PERSONAL MEDICAL SAVINGS ACCOUNT FUNDS

After payment of all valid claims, any credit balance remaining in a member's PMSA at the end of the benefit year will be carried over to the next year and accumulate from year to year ("accumulated funds") in the member's name.

5.6. INVESTMENT OF PERSONAL MEDICAL SAVINGS ACCOUNT BALANCES

All PMSA credit balances (paid balances) will be invested by the Scheme in cash and cash equivalent instruments as determined by the Board of Trustees from time to time and separately from the Scheme's investments.

5.7. TOP UPS TO PERSONAL MEDICAL SAVINGS ACCOUNTS

Provision for members to top up their personal medical savings accounts at their discretion will be made.

5.8. INTEREST EARNED ON PERSONAL MEDICAL SAVINGS ACCOUNT BALANCES

5.8.1. The interest earned on PMSA investments less the PMSA costs referred to in paragraph 7 below (Net Interest) will be allocated monthly to members with PMSA credit balances on the basis.

5.8.2. The Net Interest will be allocated on a pro rata basis between the members with PMSA credit balances based on each member's combined balance of the accumulated funds and current paid balances at the end of each month. In the event that the current balance is in debit (for example due to usage of the savings advance), the debit balance will be deducted from the credit balance in the accumulated funds before the interest is calculated and allocated.

5.8.3. Following termination of membership of the Scheme, interest will be allocated to members with PMSA credit balances until the last refund date or transfer to an option without a PMSA. See paragraph 5.10 below.

5.9. COSTS IN RESPECT OF PERSONAL MEDICAL SAVINGS ACCOUNTS

The total costs directly attributable to the management of the PMSA investments and administration of the PMSA bank account and investments, such as bank costs and investment management fees, will be set off against the interest allocation to members with PMSA credit balances.

5.10. PERSONAL MEDICAL SAVINGS ACCOUNT STATEMENTS

A member shall receive a monthly statement from the Scheme reflecting all transactions relating to the PMSA of such a member.

5.11. BALANCE OF PERSONAL MEDICAL SAVINGS ACCOUNT UPON TERMINATION OF MEMBERSHIP OR TRANSFER TO ANOTHER OPTION

5.11.1. Upon termination of membership, any amount standing to a member's credit in the PMSA shall, after off-setting any shortfalls due by the member and taking into account any outstanding amounts that may be recoverable by the scheme from the member, be dealt with as follows:

5.11.1.1. Deceased member

Upon the death of a member, the balance due to the member must be transferred to his or her dependants who continue membership of the Scheme, or must be paid into his or her estate in the absence of such dependants, within 5 (five) months after the date of death of the member.

5.11.1.2. Termination for other reasons

5.11.1.2.1. Should membership of the Scheme be terminated and the member does not enroll in another medical scheme or subsequently enrolls in another medical scheme without a PMSA, the balance due to the member must be refunded to the member within 5 (five) months after the date of termination of membership. It is the responsibility of the member to provide the Scheme with his or her current banking details within 30 (thirty) days from the date of termination.

5.11.1.2.2. Should membership of the Scheme or this benefit option be terminated and the member transfers to another medical scheme or benefit option with a PMSA, the balance due to the member will be transferred to such scheme or benefit option within 5 (five) months after the date of termination. It is the responsibility of the member to provide the Scheme with the details of the new medical scheme within 30 (thirty) days from the date of termination.

- 5.11.2.** On transfer to another benefit option of the Scheme, which does not provide for a PMSA, any credit balance (paid balance) in the member's PMSA will be refunded to the member within 5 (five) months after the effective date of such transfer.

5.12. UNCLAIMED PMSA CREDIT BALANCES

- 5.12.1.** Unclaimed PMSA balances, where a member cannot be traced within five years of the member leaving the scheme, and after all reasonable attempts at tracing such members has been pursued, will be transferred to the Guardians Fund, administered by the Master of the High Court.
- 5.12.2. The above Funds can be claimed by the account holder directly from the Guardians Fund when the account comes to their attention and when entitled by way of application in the form of form J 251, supported by a certified copy of the account holder's identity document/ passport. Form J 251 is available to members on the Justice Department's website, as follows:

http://www.justice.gov.za/master/m_forms/J251.pdf