

## 1. Scope

- 1.1. This policy is applicable to all Umalusi employees who retire after a minimum of ten (10) years unbroken service and who were permanently appointed on or before 30 April 2019.

## 2. Purpose

- 2.1. The purpose of this policy is to set out an administration mechanism to effectively manage medical aid allowances on retirement entitlements within Umalusi.

## 3. Legal Framework

This policy should be read in conjunction with following:

- 3.1. Umalusi's Remuneration Policy;
- 3.2. Umalusi's Termination of Employment Policy; and
- 3.3. Policy and Procedure on Incapacity and Ill Health Retirement

## 4. Definitions

- 7.1 **"Permanent Employees"** means employees appointed on a permanent contract or a fixed term contract exceeding twelve (12) months.

## 5. Guiding Principles

- 5.1. Payroll must be informed of the planned date of retirement.
- 5.2. Upon an employee's retirement from the organisation, Umalusi will continue to pay the employer's portion of the medical aid contribution to the former employee, provided the employee was appointed at Umalusi on or before 30 April 2019 and has completed a minimum of ten (10) years unbroken service at Umalusi. Umalusi and retires from the organisation. The payment will be made into the former employee's bank account until the lump sum is invested in an annuity.
- 5.3. Upon the retirement of a qualifying employee an annuity may be purchased at a designated services provider. The calculations regarding the annuity will be made by the appointed actuarial company at the date of retirement.
- 5.4. Human Capital Management will confirm the retired status of the employee with the Associated Institutions Pension Fund (AIPF). If the relevant confirmation cannot be provided by the pension fund, the benefit will be forfeited.

- 5.5. Employees who retire and subsequently take up employment at another government department, public entity or private sector, will not qualify for the benefit.
- 5.6. Employees on their spouse's medical aid of the Government Employee Pension Fund (GEMS) will not qualify for the benefit.
- 5.7. The retired employee is required to provide Umalusi with written proof of his or her continued medical aid membership, employment status, and the confirmed contact details of at least two (2) next of kin on an annual basis. Failure to provide these details will result in the termination of the benefit.
- 5.8. Contributions will be paid until the former employee passes away or an annuity is purchased through a designated service provider.
- 5.9. Upon the passing away of the retired employee, the next of kin referred to in paragraph 8.7 must notify Umalusi accordingly to terminate the benefit.
- 5.10. The benefit will not be extended to the next of kin.