



# UNIVERSITY OF WESTERN CAPE (UWC)

## UWC BENEFITS POLICY

DATE OF LAST APPROVAL: C2004/1



UNIVERSITY *of the*  
WESTERN CAPE

A place of quality, a place to grow, from hope to action through knowledge



## **UNIVERSITY OF THE WESTERN CAPE**

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4 December 2003

Ms A Hambrook-Glaesar  
Executive Director : HR  
UWC

Dear Ms Hambrook

### **UWC Benefits Policy**

The Boards of Trustees of the UWC retirement funds (UWC Pension Fund & UWC Retirement Fund) noted the original benefits policy at their meeting of 27 November 2003. The Boards of Trustees who deals with the retirement funds only pointed out that some additions to the document need to be done (specifically with regard to early retirement age).

This and other changes has been done and are reflected in the attached benefit policy.

**Purpose :** Council need to note that this is formalising current practice.

Regards

LIONEL DANIELS  
UWC Retirement Funds

Approved:  
C. D. 2003/11

*A Place of Quality, A Place to Grow*

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*We provide a professional service and are committed to enhancing our productivity and promoting customer satisfaction*

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## BENEFITS AND ALLOWANCES ( CURRENT!

### 1. EMPLOYEE ADMINISTRATION AND BENEFITS

#### A. BENEFIT SCHEMES

This section briefly describes the various externally administered benefit schemes which are available and in most cases compulsory for staff members.

#### 1.1 Pension Fund / Provident Fund

##### 1.1.1 Introduction

All full-time staff members appointed on permanent terms and conditions are required to join either the university's provident fund or pension fund. Contributions to the pension fund are payable by both UWC and the employee and are calculated on percentage of pensionable earnings. Contributions to the provident fund are payable only by UWC. The employee participating in the provident fund agrees to reduce his/her salary by an amount calculated on a percentage of pensionable earnings making these funds available to meet its obligation.

Staff members who were previously members of either the Associate Institutes Pension Fund (AIPF) or another state linked fund are given the option to join the university's fund. However all new staff will be required to join the university's retirement funds.

The university, at its discretion, may offer temporary full-time staff the opportunity to join the provident fund provided the staff member is appointed for a period of one year or more. Contributions by staff members amount to a specified percentage of pensionable earnings. In return the university contributes a specified amount related to the amount contributed by the staff member.

##### 1.1.2 Different Funds

All full-time employees are members of one of the following:

- UWC pension fund
- UWC provident fund
- State pension fund (GEPF)\*
- State provident fund\*
- Temp State pension fund\*

- Please note that no new admissions will be allowed as these funds are closed funds.

### 1.1.3 The Funds

#### 1.1.3.1 *University of the Western Cape Retirement Fund (Provident Fund) Rules with regard to Contributions*

This Fund is administered by SANLAM and is a non-contributory fund. This means that the employer make direct contributions to the fund and the employee sacrifices a portion of his/her salary which portion forms part of the total contribution.

The rules of the Fund contain some of the following.

*Definitions:*

EMPLOYEE means a person who -

- a. is in the full-time service of the EMPLOYER and is not a MEMBER of the University of the Western Cape Pension Fund; or
- b. must join the FUND in terms of his/her conditions of service

NORMAL RETIREMENT AGE means -

- a. in the case of a MEMBER who was a member of the AIPF/ TEPF, any age between 60 and 65 years according to the MEMBER'S conditions of service with the employer; and
- b. in the case of any other MEMBER, the age of 65 years.

A retirement benefit also becomes payable within ten years of his/her NORMAL RETIREMENT DATE.

REMUNERATION in regard to any MEMBER means -

the basic salary or wages the MEMBER receives from the EMPLOYER, plus certain benefits and allowances, which in turn of the fund rules, comprise pensionable earnings.

For Example:

PENSIONABLE EARNINGS	R5 000
<i>Less:</i> PROVIDENT FUND SALARY SARCIFICED	R 375
SALARY PACK.AGE	R4 625
<i>Less:</i> ALLOCATIONS FROM SALARY PACKAGE	
- TRAVEL ALLOWANCE	R1 000
BASIC SALARY	R3 625

Therefore, remuneration for purposes of provident fund contributions is Notch Salary R3 625 + Allocations from Notch Salary R1 000+ Provident fund sacrifice = R5 000 Pensionable earnings or the employees Old Notch Salary.

#### *Current Contributions by MEMBERS*

A Member is not required to contribute to the FUND, as s/be sacrifices his/her salary for this purpose.

#### *Current Contributions by the EMPLOYER*

The Employer directly contributes to the fund, 18.93% of the MEMBER'S (who is an EMPLOYEE and who has not reached the NORMAL RETIREMENT AGE) pensionable earnings, of which (currently) 11.43% represent the employer's portion and 7.5% is finance by way of a salary sacrifice by the employee. This

means that the member's (employee's) pensionable earnings is reduced by this amount and is then taxed on the lower pensionable salary (see example above).

The above contribution is applied in respect of the MEMBER'S RETIREMENT BENEFITS.

The employer must also pay monthly to the FUND a percentage (currently 3.43%) of the REMUNERATION of each MEMBER to cover the following expenses of the FUND:

1. the cost of the RJSK BENEFITS; and
2. the cost of Disability benefits; and
3. the cost of the administration of the FUND (excluding the investment administration); and
4. the shortfall in the amount transferred from the AIPF;
5. all other expenses incurred and losses that may be suffered by the FUND; and
6. the balance is to fund for the benefits payable in respect of SHORTFALL RESERVES. The ACTUARY recommends how much the university must contribute to the Fund to remain financially secure.

The EMPLOYER must pay the contributions which are payable to the FUND in respect of the MEMBERS directly to the FUND within seven days of the end of the month in respect of which the contributions are payable.

#### *Contributions for past periods*

The MEMBER and EMPLOYER may make contributions in respect of any term before the commencement of the MEMBER'S MEMBERSHIP. The past period which is allocated for a specific contribution is determined as if contributions for past periods are payable at the same rate at which current contributions are payable for current periods.

#### *1.J.3.2 University of the Western Cape Pension Fund Rules with regard to Contributions*

This Fund administered is by SANLAM and is a contributory fund. This means that the employer contributes a certain percentage and the employee makes a contribution, calculated as a percentage of his/her pensionable earnings, before tax.

#### *Definitions*

EMPLOYEES shall mean those who -

- a. are in the service of the EMPLOYER;
- b. are not active members of the University of the Western Cape Retirement Fund.

NORMAL RETIREMENT AGE shall mean the age of 65 years, provided that Normal Retirement Age in regard to an Old Fund Member means any age between 60 and 65 years, according to the Member's condition of service with the Employer.

PENSIONABLE EARNINGS in regard to any Member shall mean the basic salary or wages the Member receives from the EMPLOYER, including the annual bonus and any other amount determined as agreed to by the FUND, the EMPLOYER and the ASSURER,

For Ex3.111ple:

PENSIONABLE REMUNERATION		R.5 000
SALARY PACKAGE	=	RS 000
<i>Less:</i> ALLOCATIONS FROM SALARY PACKAGE		
- TRAVEL ALLOWANCE		R1 000
BASIC SALARY		R4 000

Remuneration for the purposes of pension fund contributions is Notch Salary R4 000 + Allocations from Notch Salary R1 000 = R 5 000 Pensionable earnings or the employees Old Notch Salary.

*Current Contributions by Members*

By virtue of his membership and as long as he is an Employee, every MEMBER shall make a monthly contribution to the Fund equal to 7.5% of his Pensionable Earnings; the EMPLOYER shall deduct such contribution for a particular month from the Member's remuneration and shall pay it directly to the Fund before or on the last day of that month.

*Current Contributions by the Employer*

The Employer shall contribute to the Fund a sum equal to the percentage determined by the Actuary from time to time (currently 18%) of the total Pensionable Earnings of all the Members who have to contribute to the Fund by paying the required contribution to the fund directly on the same day as the members' own contributions are due.

1.1.3.3 Comparison of some Benefits

1.1.3.3.1 Comparison of Withdrawal Benefits

	UWC PENSION FUND	UWC PROVIDENT FUND
Resignation Benefits	The member's credit on transfer from AIPF plus the member's own and company contributions together with interest.  Subject to a maximum of <b>the actuarial reserve value of the member</b>	<ul style="list-style-type: none"> <li>• Same as the UWC Pension Fund and.</li> </ul> Subject to a maximum of the accumulated credit of the <b>member.</b>
Transfer Benefit	If the member chooses to transfer his/her pension fund benefits to another approved retirement funding instrument, his/her actuarial reserve value.	If the member chooses to transfer his/her provident fund benefits to another approved retirement funding instrument, his/her accumulated credit.
Retrenchment Benefit	Same as the above transfer benefit	Same as the above transfer benefit

1.1.3.3.2 Comparison of Disability Benefits

	UWC PENSION FUND	UWC PROVIDENT FUND
Lump sum Benefits	- <b>2 times annual pensionable earnings after a waiting period</b> of 6 months when the claim has been <b>admitted</b> by the underwriter	Same as the UWC Pension Fund
Income Benefit	An income benefit of the <b>lessor</b> of a) 75¾ of the first R12 000 of the monthly pensionable earnings, plus b) 50¾ of the next R18 000 of monthly pensionable earnings, plus c) 25¾ of the pensionable earnings in excess of R30 000 OR R10 000 per month.	Same as the UWC Pension Fund.

1.1.3.3.3 Comparison of Death Benefits Before Normal Retirement Date

	UWC PENSION FUND	UWC PROVIDENT FUND
Lump sum Benefits	2 times annual pensionable earnings plus the member's transfer credit together with interest @ 6% per annum	<b>4</b> times annual pensionable earnings plus the member's accumulated credit.
Spouse's Pension	A spouse's pension of 40¾ of the member's pensionable earnings at death, for the rest of the life of the spouse	None
Children's Pension	- Children's pension of 10% of the member's pensionable earnings at death to each qualifying child (maximum of 3 children) - The children's pension <b>doubles</b> if the spouse's pension ceases, or if no spouse's pension is paid	None
Increase in Pension	With consent of the Principal Employer and after consultation with the Fund Actuary	None

**1.1.3.3.4** *Comparison of Death Benefits After Retirement*

	UWC PENSION FUND	UWC PROVIDENT FGNIJ
Guarantee Period	<p>Pension benefits are payable for a minimum period of 60 months in respect of members who do not qualify for spouse's pension.</p> <p>The spouse of a member who dies within 60 months after retirement, will receive 100% of the member's pension until the 60 months period has expired.</p>	Not applicable - the member receives his/her benefit at retirement in cash
Spouse's pension	After the expiry of the guarantee period, 50% of the pension of the member <b>before commutation</b> is payable to the qualifying spouse.	Not applicable - the member receives his/her benefit at retirement in cash.
Increase in monthly pension	With the consent of the Principal employer and after consultation with the Fund Actuarv.	Not applicable - the member receives his/her benefit at retirement in cash.

**1.1.3** **Government Employees Pension Fund (GEPF) (AIPF Replacement) with regard to Contributions**

*Member's Contributions*

Employees contribute an amount equal to 7.5% of their Pensionable Earnings (also known as Emoluments).

*Employer's Contributions*

The employer contributes an amount equal to 17% of the employee's pensionable earnings. Upon election by the employee to contribute to the fund, the employer would contribute an amount equal to 12% of the employee's annual salary to the fund. Bonus is non pensionable for AIPF members.

**1.1** **Medical Aid**

These Funds are currently administered by Discovery Health/Bonitas.

Membership of a University recognised medical aid scheme is compulsory for all permanent full-time staff members unless the staff member is a member of a scheme through the staff member's spouse's terms of employment at the spouse's place of employment. Membership of the medical aid may also be made available, to full-time **staff members appointed on contract for one year or more.**



### *Member's Contributions*

The rand value of the "final" contribution is dependent on the medical scheme chosen: the number of dependents and the amount allocated toward savings (in accordance with allowance by scheme and its predetermined limits). The member contributes (currently) 33.3% of the value of the "final" contribution to the medical aid.

### *Employer's Contribution*

The employer contributes (currently) 66.7% of the "final" contribution to the Medical Aid. An employer's contributions to these funds and up to 2/3 of medical-aid fund contributions are not taxable in the employee's hands provided the employer is not simply paying amounts due by the employee but is actually bound to make the contribution himself.

### *medical Aid Schemes*

UWC employees have a choice as to which medical aid scheme they wish to belong to.

The current medical aid schemes available to UWC employees are Discovery Health and Bonitas. UWC subsidises the employee's contribution, spouse contribution and child dependant contributions are not subsidised by UWC.

SCHEME NAME	EMPLOYEE CONTRIBUTION	EMPLOYER CONTRIBUTION
<b>DISCOVERY CLASSIC COMPREHENSIVE</b>	1/3 of total contribution	2/3 of total contribution
<b>DISCOVERY ESSENTIAL COMPREHENSIVE</b>	1/3 of total contribution	2/3 of total contribution
<b>DISCOVERY CLASSIC CORE</b>	1/3 of total contribution	2/3 of total contribution
<b>DISCOVERY ESSENTIAL CORE</b>	1/3 of total contribution	2/3 of total contribution
<b>DISCOVERY COASTAL CORE</b>	1/3 of total contribution	2/3 of total contribution
<b>BONITAS</b>	1/3 of total contribution	2/3 of total contribution

## 1.2 Group Life

Membership of the UWC Group Life Assurance scheme operated by SANLM! is compulsory for new full-time permanent members of staff. The scheme covers the staff member in the event of death or permanent total disability subject to the scheme rules while in the employ of the university.

Cover is also available to cover the staff member's spouse in the event of death or permanent total disability subject to the scheme's rules for spouse's cover.

The participating staff member currently contributes a specified percentage of his/her monthly earnings to cover him/herself (currently .83%) and a separate percentage amount of his/her monthly earnings (currently 0.17%) to cover his/her spouse. In return the university contributes an equivalent amount.

**Spouse's insurance is considered compulsory when; a full-time permanent employee** is married. The member and employer each contribute 0.17% of the member's earnings to Spouses Life insurance.

## **BENEFITS AND ALLOWANCES ( CURRENT)**

### **1. EMPLOYEE ADMINISTRATION AND BENEFITS**

#### **A. BENEFIT SCHEMES**

This section briefly describes the various externally administered benefit schemes which are available and in most cases compulsory for staff members.

#### **1.1 Pension Fund/ Provident Fund**

##### **1.1.1 Introduction**

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Staff members who were previously members of either the Associate Institutes Pension Fund (AIPF) or another state linked fund are given the option to join the university's fund. However all new staff will be required to join the university's retirement funds.

The university, at its discretion, may offer temporary full-time staff the opportunity to join the provident fund provided the staff member is appointed for a period of one year or more. Contributions by staff members amount to a specified percentage of pensionable earnings. In return the university contributes a specified amount related to the amount contributed by the staff member.

##### **1.1.2 Different Funds**

All full-time employees are members of one of the following:

- UWC pension fund
- UWC provident fund
- State pension fund (GEPF)\*
- State provident fund\*
- Temp State pension fund\*

\* **Please note that no new admissions will be allowed as these funds are closed funds.**

### 1.1.3 The Funds

#### 1.1.3.1 *University of the Western Cape Retirement Fund (Provident Fund) Rules with regard to Contributions*

This Fund is administered by SANLAM and is a non-contributory fund. This means that the employer make direct contributions to the fund and the employee sacrifices a portion of his/her salary which portion forms part of the total contribution.

The rules of the Fund contain some of the following.

*Definitions:*

EMPLOYEE means a person who -

- a. is in the full-time service of the EMPLOYER and is not a MEMBER of the University of the Western Cape Pension Fund; or
- b. must join the FUND in terms of his/her conditions of service

NORMAL RETIREMENT AGE means -

- a. in the case of a MEMBER who was a member of the AIPF/ TEPF, any age between 60 and 65 years according to the MEMBER'S conditions of service with the employer; and
- b. in the case of any other MEMBER, the age of 65 years.

A retirement benefit also becomes payable within ten years of his/her NORMAL RETIREMENT DATE.

REMUNERATION in regard to any MEMBER means -

the basic salary or wages the MEMBER receives from the EMPLOYER, plus certain benefits and allowances, which in turn of the fund rules, comprise pensionable earnings.

For Example:

PENSIONABLE EARNINGS	R5 000
<i>Less:</i> PROVIDENT FUND SALARY SACRIFICED	R 375
SALARY PACKAGE	R4 625
<i>Less:</i> ALLOCATIONS FROM SALARY PACKAGE	
- TRAVEL ALLOWANCE	RI 000
BASIC SALARY	R3 625

Therefore, remuneration for purposes of provident fund contributions is Notch Salary R3 625 + Allocations from Notch Salary RI 000+ Provident fund sacrifice R5 000 Pensionable earnings or the employees Old Notch Salary.

*Current Contributions by MEMBERS*

A Member is not required to contribute to the FUND, as s/he sacrifices his/her salary for this purpose.

*Current Contributions by the EMPLOYER*

The Employer directly contributes to the fund, 18.93% of the MEMBER'S (who is an EMPLOYEE and who has not reached the NORMAL RETIREMENT AGE) pensionable earnings, of which (currently) 11.43% represent the employer's portion and 7.5% is finance by way of a salary sacrifice by the employee. This

means that the member's (employee's) pensionable earnings is reduced by this amount and is then taxed on the lower pensionable salary (see example above).

The above contribution is applied in respect of the MEMBER'S RETIREMENT BENEFITS.

The employer must also pay monthly to the FUND a percentage (currently 3.43%) of the REMUNERATION of each MEMBER to cover the following expenses of the FUND:

1. the cost of the RISK BENEFITS; and
2. the cost of Disability benefits; and
3. the cost of the administration of the FUND (excluding the investment administration); and
4. the shortfall in the amount transferred from the AIPF;
5. all other expenses incurred and losses that may be suffered by the FUND; and
6. the balance is to fund for the benefits payable in respect of SHORTFALL RESERVES. The ACTUARY recommends how much the university must contribute to the Fund to remain financially secure.

The EMPLOYER must pay the contributions which are payable to the FUND in respect of the MEMBERS directly to the FUND within seven days of the end of the month in respect of which the contributions are payable.

*Contributions for past periods*

The MEMBER and EMPLOYER may make contributions in respect of any term before the commencement of the MEMBER'S MEMBERSHIP. The past period which is allocated for a specific contribution is determined as if contributions for past periods are payable at the same rate at which current contributions are payable for current periods.

**1.1.3.2 University of the Western Cape Pension Fund Rules with regard to Contributions**

This Fund administered is by SANLAM and is a contributory fund. This means that the employer contributes a certain percentage and the employee makes a contribution, calculated as a percentage of his/her pensionable earnings, before tax.

*Definitions*

EMPLOYEES shall mean those who -

- a. are in the service of the EMPLOYER;
- b. are not active members of the University of the Western Cape Retirement Fund.

NORMAL RETIREMENT AGE shall mean the age of 65 years, provided that Normal Retirement Age in regard to an Old Fund Member means any age between 60 and 65 years, according to the Member's condition of service with the Employer.

PENSIONABLE EARNINGS in regard to any Member shall mean the basic salary or wages the Member receives from the EMPLOYER, including the annual bonus and any other amount determined as agreed to by the FUND, the EMPLOYER and the ASSURER;

For Example:

PENSIONABLE REMUNERATION	R5 000
SALARY PACKAGE	R5 000

*Less:* ALLOCATIONS FROM SALARY PACKAGE

- TRAVEL ALLOWANCE	<b>R1 000</b>
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BASIC SALARY	R4000
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Remuneration for the purposes of pension fund contributions is Notch Salary R4 000 + Allocations from Notch Salary R1 000 = **R 5 000** Pensionable earnings or the employees Old Notch Salary.

*Current Contributions by Members*

By virtue of his membership and as long as he is an Employee, every MEMBER shall make a monthly contribution to the Fund equal to 7.5% of his Pensionable Earnings; the EMPLOYER shall deduct such contribution for a particular month from the Member's remuneration and shall pay it directly to the Fund before or on the last day of that month.

*Current Contributions by the Employer*

The Employer shall contribute to the Fund a sum equal to the percentage determined by the Actuary from time to time (currently 18%) of the total Pensionable Earnings of all the Members who have to contribute to the Fund by paying the required contribution to the fund directly on the same day as the members' own contributions are due.

### 1.1.3.3 Comparison of some Benefits

#### 1.1.3.3.J Comparison of Withdrawal Benefits

	<b>UWC PENSION FUND</b>	<b>UWC PROVIDENT FUND</b>
Resignation Benefits	The member's credit on transfer from AIPF plus the member's own and company contributions together with interest.  <b>Subject to a maximum of the actuarial reserve value of the member</b>	<ul style="list-style-type: none"> <li>• Same as the UWC Pension Fund and.</li> </ul> <b>Subject to a maximum of the accumulated credit of the member.</b>
Transfer Benefit	If the member chooses to transfer his/her pension fund benefits to another approved retirement funding instrument, his/her actuarial reserve value.	If the member chooses to transfer his/her provident fund benefits to another approved retirement funding instrument, his/her accumulated credit.
Retrenchment Benefit	Same as the above transfer benefit	Same as the above transfer benefit

*Comparison of Disability Benefits*

	<b>UWC PENSION FUND</b>	<b>UWC PROVIDENT FUND</b>
Lump sum Benefits	- <b>2 times annual pensionable earnings</b> after a waiting period of 6 months when the claim has been <b>admitted</b> by the underwriter	Same as the UWC Pension Fund
<b>Income Benefit</b>	An income benefit of the <b>lessor</b> of: a) 75% of the first R1 2 000 of the monthly pensionable earnings, plus b) 50% of the next R18 000 of monthly pensionable earnings, plus c) 25% of the pensionable earnings in excess of R30 000 OR R30 000 per month.	Same as the UWC Pension Fund.

*Comparison of Death Benefits Before Normal Retirement Date*

	<b>UWC PENSION FUND</b>	<b>UWC PROVIDENT FUND</b>
Lump sum Benefits	<b>2 times annual pensionable earnings</b> plus the member's transfer credit together with interest @ 6% per annum	4 times annual pensionable earnings plus the member's accumulated credit.
Spouse's Pension	A spouse's pension of 40% of the member's pensionable earnings at death, for the rest of the life of the spouse	None
Children's Pension	- Children's pension of 10% of the member's pensionable earnings at death to each qualifying child (maximum of 3 children) - The children's pension <b>doubles</b> if the spouse's pension ceases, or if no spouse's pension is paid	None
Increase in Pension	With consent of the Principal Employer and after consultation with the Fund Actuary.	None

*Comparison of Death Benefits After Retirement*

	<b>UWC PENSION FUND</b>	<b>UWC PROVIDENT FUND</b>
Guarantee Period	<p>Pension benefits are payable for a minimum period of 60 months in respect of members who do not qualify for spouse's pension.</p> <p>The spouse of a member who dies within 60 months after retirement, will receive 100% of the member's pension until the 60 months period has expired.</p>	Not applicable - the member receives his/her benefit at retirement in cash
Spouse's pension	After the expiry of the guarantee period, 50% of the pension of the member <b>before commutation</b> is payable to the qualifying spouse.	Not applicable - the member receives his/her benefit at retirement in cash.
Increase in monthly pension	With the consent of the Principal employer and after consultation with the Fund Actuary.	Not applicable - the member receives his/her benefit at retirement in cash.

**1.1.4 Government Employees Pension Fund (GEPF) (AIPF Replacement) with regard to Contributions**

*Member's Contributions*

Employees contribute an amount equal to 7.5% of their Pensionable Earnings (also known as Emoluments).

*Employer's Contributions*

The employer contributes an amount equal to 17% of the employee's pensionable earnings. Upon election by the employee to contribute to the fund, the employer would contribute an amount equal to 12% of the employee's annual salary to the fund. Bonus is non pensionable for AIPF members.

**1.2 Medical Aid**

Membership of a University recognised medical aid scheme is compulsory for all permanent full-time staff members, unless the staff member is a member of a scheme through his/her spouse's terms of employment at the spouse's place of employment. Membership of the medical aid may also be made available to full-time staff members appointed on contract for two years or more.



### 1.2.1 Definition of Terms

**Spouse** - the person to whom the member is married, in terms of any law or custom, or who has been a life partner of the member for more than 12 months.

**Child** - a member's natural child, or a stepchild or legally adopted child or a child in the process of being legally adopted or a child who has been placed in the custody of the member or his/her spouse or partner and who is not a beneficiary of any other medical scheme.

#### **Eligible dependants**

##### **Child dependants**

Children (as per definition above) over the age of 21 years who are full time students will qualify for the subsidy benefit up to the age of 25 years (proof of full time studentship is required on an annual basis).

Children (as per definition above) who are financially dependent on the Principal member in that they earn less than R2500 per month (proof of financial dependency is required) will be included in the definition of eligible dependants as part of the subsidy policy up to a maximum age of 25 years. The financial dependency benchmark will be subject to change depending on the industry norms and the selected medical scheme's rules.

A child dependant will not be eligible to be a dependant on the principal member's medical aid membership once he/she has engaged in a marriage.

The contributions deducted for the child/adult dependant will be determined according to the medical scheme's rules.

##### **Mentally handicapped child dependants**

Children whom are mentally handicapped will qualify, as long as the main member qualifies for the subsidy once proof of the diagnosis has been provided.

Definition of mentally handicapped: Subnormal intellectual development as a result of congenital causes, brain injury, or disease and characterized by any of various cognitive deficiencies, including impaired learning, social, and vocational ability, also called mental deficiency.

#### **Member's Contributions**

The "final" contribution is dependent on the medical scheme chosen, the number of dependents and the amount allocated towards savings.

Eligible members appointed prior to 1 January 2009 will contribute one-third (1/3) of the value of the "final" contribution to the medical aid.

Eligible members commencing employment after 1 January 2009 will contribute on a Rand for Rand basis (50/50) capped at Classic Priority.

### **Employer's Contribution**

The employer will contribute two-thirds (2/3) of the "final" contribution to the Medical Aid for employees appointed prior to 1 January 2009.

#### **Discovery:**

Employees appointed prior to 1 January 2009 can elect to remain on their chosen options as per Discovery options prior to 2009. However, any upgrade beyond "Classic Priority" subsequent to 1 January 2009 will be for the employee's own account.

The employer will contribute on a Rand for Rand basis (50/50), capped at Classic Priority, for employees commencing employment after 1 January 2009.

#### **Sizwe:**

Employees appointed prior to 1 January 2009 can elect to remain on their chosen options, as per Sizwe options, prior to 2009. However, any upgrade beyond the "Affordable" option subsequent to 1 January 2009 will be for the employee's own account.

The employer will contribute on a rand for rand basis (50/50), capped at the "Affordable" option, for employees commencing employment after 1 January 2009.

### **1.3 Group Life**

Membership of the UWC Group Life Assurance scheme is compulsory for new full-time permanent members of staff. The scheme covers the staff member in the event of death or permanent total disability subject to the scheme rules while in the employ of the university.

Cover is also available to cover the staff member's spouse in the event of death or permanent total disability subject to the scheme's rules for spouse's cover.

The participating staff member currently contributes a specified percentage of his/her monthly earnings to cover him/herself (currently .83%) and a separate percentage amount of his/her monthly earnings (currently 0.17%) to cover his/her spouse. In return the University contributes an equivalent amount.

Spouse's insurance is considered compulsory where a full-time permanent employee is married. The member and employer each contribute 0.17% of the member's earnings to Spouses Life Assurance.