

Benefits Applicable to Pensioners

(Where this document refers to the male gender, the other genders are deemed to be included. Definitions for certain terms used in the text are provided at the end of the document.)

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| <p>The core of the policy</p> <p>Sets out the benefits that apply to employees who retire from the employ of Stellenbosch University (SU).</p> | |

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1. Spouse's insurance scheme

The spouse's cover scheme offers life insurance to be paid to members upon the death of their spouse. Up until members reach the age of 65, their spouse's life is insured for coverage that equals twice the member's annual pension-bearing amount. Thereafter the cover amount decreases by 25%. In addition to life insurance, members' spouses are also covered for disability until the spouse reaches the age of 60.

The underwriter determines the contributions to this scheme and collects payment every month from the members via the employer. Members pay the full premium themselves. Payment under the scheme must be made to the member concerned. (Definitions of 'pension-bearing amount' and 'spouse' are provided at the end of this document, at 7.4 and 7.5, respectively).

2. Group life insurance

The group life insurance scheme offers life insurance of the same multiple of annual pensionable bearing amount as before retirement to be paid upon a member's death. Once members have reached the age of 65, the amount of this life cover decreases by 25%. The insured amount is paid by the insurer in accordance with the beneficiary form.

The underwriter determines the contributions to this scheme and collects payment every month from the members via the employer.

SU contributes for those members that receive a subsidy to the premium of the first 2 times the annual pension bearing amount payable and the remainder of the premium for the full cover will be at the members' cost.

All employees appointed from 1 January 2018 do not receive any subsidy in premium.

The group life insurance scheme includes no disability cover.

3. Medical scheme

General conditions regarding membership of the medical scheme:

- a) Neither members nor any of their dependants may belong to SU's medical scheme as well as another registered medical scheme simultaneously.
- b) When members die their dependant(s) who have been registered as their dependant(s) at the time of their death are offered the opportunity to remain members of the medical scheme. From that point onwards, the deceased pensioner's lawful spouse – or, if no spouse is involved, the

eldest of the former member's registered dependants – may be regarded as the main member of the medical scheme. If the deceased pensioner qualified for a Council's contribution, the new main member would also qualify. If a spouse who became a member in the above manner should remarry, the Council's contribution will cease as far as the spouse is concerned. Regarding other registered dependants, the Council's contribution is retained in such circumstances.

Cancellation of membership:

- a) Pensioner members who terminate their membership of any of SU's preferred medical schemes will not be allowed to re-join this benefit.

Determining Council's contributions to medical premiums after retirement:

- a) Main members who were appointed at SU before 1 September 1997, or who were appointed between 1 September 1997 and 31 May 2002 and who have 20 years' uninterrupted service when they retire, will receive a Council's contribution regarding themselves upon their retirement; so, too, will their dependants who qualify for Council's contributions according to the participation policy of SU's medical scheme. As far as any other dependants are concerned, the rules of the medical scheme will determine the period for which Council's contributions must be paid.
- b) Main members who were appointed between 1 September 1997 and 31 May 2002 but who have fewer than 20 years' uninterrupted service will receive Council's contributions only for the corresponding number of years' uninterrupted service that they have upon retirement. Council's contributions regarding such members and their dependants who qualify for Council's contributions according to SU's medical scheme remain unchanged after the main member has retired. That is to say, the contributions will not be adjusted according to premium increases, medical costs inflation or any other criterion.
- c) Main members who were appointed at SU as from 1 June 2002 or later do not qualify for any Council's contributions to the medical scheme.
- d) Main members who leave SU's employ on pension before they have reached the age of 60 will receive a decreased Council's contribution to their medical premiums: 0,25% less for every month by which they terminated their employment before turning 60.
- e) The monthly Council's contribution to be paid to pensioners regarding the medical scheme is determined by the specific benchmark option that

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the SU Council has chosen as basis for calculating the University's maximum contribution; subject, however, to the specific option under which the main member – as well as his or her dependants – participates in the medical scheme at the time of retirement.

- f) If a pensioner member's number of registered dependants decreases, the Council's contribution to the medical scheme will decrease accordingly.
- g) The Council's contribution to the medical premium after retirement is linked to the main member and their registered dependants. If a change in the main member's marital status after retirement increases the number of dependants, the additional dependants may be registered as members of the medical scheme. They will not, however, qualify for any Council's contribution to the main member's medical premium.
- h) Children's continued membership is determined by the rules of the medical scheme.

(Definitions of 'child' and 'dependant' are provided at the end of this document).

4. Funeral cover

Employees may continue their membership regarding funeral cover beyond retirement. The benefit concerned comprises the following:

- a) main member and spouse – R30 000;
- b) children 14 years until 21 years (25 years if a full-time student) – R22 500; and
- c) children younger than 14 years – R15 000.

Council contributes to this premium on the same basis as in the case of the medical aid scheme.

5. Gap cover insurance plan

Membership of the gap cover insurance plan may be continued beyond retirement. Some medical scheme options do not offer comprehensive cover for hospitalisation, which may result in members experiencing financial shortfalls. The purpose of this insurance plan is to finance such potential shortfalls.

Council contributes to this premium on the same basis as in the case of the medical aid scheme.

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6. Exemption from tuition fees

Retired staff members may be exempted from tuition fees, subject to certain conditions.

Refer to: Rules regarding Exemption from Tuition Fees for Studies at Stellenbosch University, at [Exemption from Tuition Fees](#).

Definitions

In this policy, unless the context indicates otherwise, the following terms will have the meanings defined below:

7.1 'Child'

The member's child, stepchild, or legally adopted child (including the child of a member's common-law spouse) who is younger than 21 years, is not self-supporting and belongs to no other medical scheme – either under their own membership or as the dependant of another member;

7.2 'Cost of Employment' ('COE')

The total cost of employment (COE) to the employer, including all cash remuneration and all contributions to benefit funds; leave and compulsory statutory contributions by the employer are not calculated into COE;

7.3 'Dependant' (for the purposes of the medical scheme)

- a member's spouse who is not a member of any other medical scheme;
- a member's unmarried child who does not belong to another medical scheme (either as a member or as a dependant), is not self-supporting and is younger than 21 years;
- a member's unmarried child who is not self-supporting, younger than 21 years and a full-time student at an educational institution approved by the medical scheme, and whom the scheme has recognised upon request as a dependant; and
- a member's unmarried child who is not self-supporting, who is older than 21 years and whom the medical scheme has recognised upon request as an adult dependant by reason of a mental or physical disability or similar grounds, subject to the conditions that the medical scheme may set;

7.4 'Pension-bearing amount'

Usually, the equivalent of 75% of total annual COE;

7.5 'Spouse'

- a person who is recognised as legally married; and

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- a person who has been living with someone else for more than six months, who plans to continue cohabiting like that permanently and who may be accepted reasonably (judging on the facts of the particular case) as a partner in a permanent relationship of cohabitation;

Supporting documents

| Item no. | Name of document | Status <i>(e.g. identified, in process or approved)</i> |
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| | None | |

Related documents

| Item no. | Name of document | Status <i>(e.g. identified, in process or approved)</i> |
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Signature: **Date:**