



**O.R. TAMBO  
DISTRICT MUNICIPALITY**

**POST-RETIREMENT MEDICAL AID SUBSIDY  
POLICY**

**O.R. TAMBO DISTRICT MUNICIPALITY  
APPROVED**

## Post-Retirement Medical Aid Subsidy Policy

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## 1. Preamble/Introduction

- 1.1 The O.R. Tambo District Municipality recognises its responsibility to promote the well-being of its employees and to ensure continued access to medical care after retirement. In line with sound human resource management practices and applicable legislation, the Municipality seeks to provide fair and sustainable post-retirement medical aid benefits to qualifying former employees.
- 1.2 This policy sets out the principles, eligibility criteria, and procedures governing the payment of post-retirement medical aid subsidies. It aims to ensure that employees who have dedicated years of service to the Municipality are supported in maintaining their health and dignity during retirement.

## 2. Definition of Terms

- 2.1 **Retiree:** A former employee who has reached the approved retirement age or has taken early retirement in terms of the retirement fund rules.
- 2.2 **Medical Scheme:** A registered medical aid scheme recognized by employer, the Council for Medical Schemes and accredited by South Africa Local Government Bargaining Council (SALGBC) to which the employee belonged while employed.
- 2.3 **Contribution:** The financial portion of the monthly medical aid premium paid by the municipality on behalf of a qualifying retiree.

## 3. Legal/Statutory Framework

- Basic Conditions of Employment Act, 1997, Chapter 3
- Consolidated Collective Agreement on Conditions of Service for the Eastern Cape
- Compensation for Occupational Injuries and Disease Act, 1993
- Labour Relations Act, 1995 as amended
- South African Local Government Bargaining Council: Main Collective Agreement

- Municipal Systems Act, 2000 (Act No.32 of 2000)
- Medical Schemes Act 1998 (Act No 131 of 1998)
- Income Tax Act, 1962 (Act No. 58 of 1962)

#### **4. Purpose and Objectives of the Policy**

The purpose of this policy is to provide a clear framework regarding the continuation and administration of medical aid and retirement benefits for employees of O.R. Tambo District Municipality after their retirement. The policy ensures transparency, equity, and alignment with applicable laws and collective agreement.

#### **5. Scope/Application of the Policy**

This policy applies to all permanent employees of O.R. Tambo Municipality who are members of the recognized medical aid scheme and retirement fund, and who are eligible for retirement in terms of the applicable retirement age and legislation. Employees who are eligible for retirement and would like to continue with the medical aid scheme must notify the employer two months before retirement.

##### **5.1 Guiding Principles**

The implementation and administration of this Post-Retirement Medical Aid Subsidy Policy shall be guided by the following principles:

###### **5.1.1 Equity and Fairness**

The Municipality shall ensure that the policy is applied consistently and fairly to all eligible employees, without discrimination based on race, gender, age, disability, or any other arbitrary ground.

### **5.1.2 Recognition of Service**

The policy recognises the value of long and dedicated service by municipal employees and seeks to reward such commitment through continued medical aid support after retirement.

### **5.1.3 Financial Sustainability**

The Municipality shall manage post-retirement medical aid liabilities in a fiscally responsible manner, ensuring that commitments made under this policy are affordable, sustainable, and aligned with the Municipality's long-term financial strategy and MFMA requirements.

### **5.1.4 Compliance with Legislation**

All actions taken in terms of this policy shall comply with the applicable legislation, regulations, collective agreements, and municipal financial management practices.

### **5.1.5 Transparency and Accountability**

The policy shall be implemented in a transparent manner, with clear procedures for approval, administration, and review. The Municipality shall maintain accurate records and provide information on the financial impact of post-retirement medical subsidies when required.

## **5.2 Links to other Policies**

- South African Local Government Bargaining Council
- COGTA Staff regulations
- Information Communication Technology (ICT) and IT Security Policies of O.R. Tambo District Municipality.
- Occupational Health and Safety (OHS) Policy
- Working Hours and Leave Policy
- Conditions of Service and Employment Contracts
- Risk Assessment Policy
- Supply Chain Management/Procurement Policy
- Confidentiality and Data Protection Policies.
- Performance Management and Monitoring Guidelines
- Disciplinary Code and Grievance Procedures

### **5.3 Who uses the Policy**

An employee shall be eligible for post-retirement medical contributions if:

- 5.3.1 They retire at or after the municipality's official retirement age of 60 or 65 years.
- 5.3.2 Employees opting for early retirement (which is 55 years to 59)
- 5.3.3 They have completed a minimum of 10 continuous years of service with the municipality.
- 5.3.4 They were a member of a medical scheme through the municipality at the time of retirement.
- 5.3.5 Their services have been terminated due to incapacity or injury at the workplace.
- 5.3.6 They have not resigned or been dismissed for misconduct or other disqualifying reasons.

### **5.4 Who should be consulted upfront in respect of Policy changes**

- Council
- Local Labour Forum
- Employees as the main beneficiaries

### **5.5 Who drives the Policy**

- Council
- Municipal Manager as the Accounting Officer
- Corporate Services Department
- Budget & Treasury

## **6. Policy Provisions/Statements**

### **6.1 Subsidy Structure**

- 6.1.1 The municipality will contribute sixty (60) percent of the monthly medical scheme premium for the retiree.
- 6.1.2 The retiree will contribute forty (40) percent of the monthly medical scheme premium

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- 6.1.3 The subsidy is limited to the principal member and one dependent spouse and qualifying dependents.
- 6.1.4 Any change in the medical aid plan or dependents must be communicated and approved.
- 6.1.5 The employer will pay contributions directly to the medical aid scheme.
- 6.1.6 It is the responsibility of the retiree to ensure that his/her contributions are paid every month to the medical aid scheme and are up to date.
- 6.1.7 If contributions are in arrears for two (2) months the medical aid scheme will be cancelled by employer.
- 6.1.8 The retiree must remain on the same medical aid scheme post-retirement.

### **7. Duration of Contributions**

- 7.1 Contributions will continue until the death of the retiree or until the retiree becomes eligible for alternative coverage (e.g., government-funded healthcare), whichever comes first.

### **8. Opt-Outs and Changes**

- 8.1. Retirees may opt out of receiving post-retirement medical contributions by notifying the municipality in writing.
- 8.2 Changes to scheme membership must be communicated by the retiree to the organization within 30 days.

### **9. Tax Implications**

Retirees are responsible for understanding any tax obligations related to employer-paid medical scheme contributions.

### **10. Role and Responsibilities**

- 10.1 The Municipal Manager or his/her delegated assignee(s) accept overall responsibility for the implementation and monitoring of the policy.
- 10.2 The financial implications related to implementing the policy shall be qualified and by Human Resource Management in consultation with Budget & Treasury Office.

10.3 Human Resources Management must manage communication, eligibility verification, and on-going administration.

10.4 Budget & Treasury to ensure timely payments and manage budget allocations.

10.5 Retirees to keep the municipality informed of any changes to their medical scheme status.

### 11. Interpretation of this Policy

11.1. All terminology used in this policy shall bear the same meaning as in the regulations or applicable legislations.

### 12 Policy Approval

12.1 This policy was formulated by Human Resources Management in consultation with the Local Labour Forum.

12.2 Approved on behalf of the Municipal Council by Municipal Manager

### 13 Compliance, Implementation and Enforcement

13.1 This policy shall be implemented and effective once recommended by the Local Labour Forum and approved by the Council.

13.2 Non-compliance to the stipulation contained in this policy shall be regarded as breach of Code of Conduct, which shall be dealt with in terms of the Code of Conduct.

13.3 Head of Corporate Services shall carry out the monitoring and evaluation of the implementation of the policy.

13.4 This policy shall be reviewed in 5 years aligned to the Municipality IDP depending on the changes with legislation and business dynamics within which the Municipality operates.

### 14 Authentication

Approved on behalf of the Municipal Council by Municipal Manager.

Signature: \_\_\_\_\_

Date \_\_\_\_\_

26/01/2026

## ANNEXURE 1

This is to confirm that I the undersigned duly authorize O.R. Tambo District Municipality

### PERSONAL INFORMATION

**Employee Number** : \_\_\_\_\_

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**Date of Appointment** : \_\_\_\_\_

**Employee Name** : \_\_\_\_\_

**ID Number** : \_\_\_\_\_

**Position** : \_\_\_\_\_

**Signature** : \_\_\_\_\_

**Contact/s** : \_\_\_\_\_

### MEDICAL AID DETAILS

**Medical Aid Name** : \_\_\_\_\_

**Option** : \_\_\_\_\_

**Number of Dependents** : \_\_\_\_\_

### DEPENDENT/S DETAILS

NAME & SURNAME	GENDER	RELATIONSHIP	DATE OF BIRTH

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**Name & surname**  
: \_\_\_\_\_

**Signature**  
: \_\_\_\_\_

**Date**  
: \_\_\_\_\_

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