

PICK 'n PAY MEDICAL SCHEME

RULES

1. NAME

The name of the **Scheme** shall be Pick 'n Pay Medical Scheme, hereinafter referred to as the "**Scheme**".

2. LEGAL PERSONA

The Scheme, in its own name, is a body corporate, capable of suing and being sued and of acquiring, holding and alienating assets, movable and immovable.

3. REGISTERED OFFICE

The registered office of the Scheme shall be situated at 61 St George's Mall, Cape Town, 8001, but the Committee shall have the right to transfer such office to any other location in the Republic of South Africa, should circumstances so dictate.

4. DEFINITIONS

In these **Rules** words and expressions defined in the Medical Schemes Act, 1998, bear the meanings thus assigned to them and, unless inconsistent with the context;

- (a) all words and expressions purporting the masculine gender shall include the feminine;
- (b) words signifying the singular number shall include the plural and vice versa; and
- (c) the following expressions shall have the following meanings:-

- 4.1 “**Act**” shall mean, the Medical Schemes Act, 1998 (Act No 131 of 1998), as amended from time to time, and the regulations framed thereunder.
- 4.2 “**Administrator**” shall mean the duly accredited person or persons appointed to administer the affairs of the **Scheme**.
- 4.3 “**Admission Date**” shall mean the date on which a person becomes a Member, or in respect of a Dependant, the date upon which such Dependant is admitted as a Dependant in term of the Rules.
- 4.4 “**Annual Limit**”, shall mean the maximum benefits to which a Member and his registered Dependants are entitled in terms of these Rules during any **Financial Year** of the Scheme, and may be revised from time to time.
- 4.5 “**Approval**”, shall mean prior written approval.
- 4.6 “**Auditor**”, shall mean an auditor registered in terms of the Public Accountants’ and Auditors’ Act, 1991, (Act No 80 of 1991).
- 4.7 “**Beneficiary**” shall mean each individual Member and Dependant.
- 4.8 “**BHF**”, shall mean the Board of Healthcare Funders of Southern Africa.
- 4.9 “**Board**”, the Board of Trustees constituted to manage the Scheme in terms of the Act and these Rules.
- 4.10 “**Child**”, shall mean a Member’s child, step-child or legally adopted child, or a child who has been placed in the custody of the member or his spouse or partner.
- 4.11 “**Chronic condition**” shall mean any condition listed in Table B.2, which has been diagnosed previously, and is expected to continue for at least another six months, or any similar condition which, in the opinion of the Trustees, requires life-sustaining medication.

- 4.12 “**Condition-specific waiting period**” shall mean a period during which a beneficiary is not entitled to claim benefits in respect of a condition for which medical advice, diagnoses, care or treatment was recommended or received within the twelve-month period ending on the date on which an application for membership was made.
- 4.13 “**Continuation Member**” shall mean a member who is admitted to membership in terms of Rule 6.2 and 6.3, who has all the rights and obligations of any other member.
- 4.14 “**Contracted fee**”
The fee determined in terms of an agreement between the Scheme and a service provider or group of providers in respect of the payment of relevant health services.
- 4.15 “**Contribution**” shall mean in relation to a Member, the amount, exclusive of interest, paid by or on behalf of the Member and his registered dependants, if any, as fees for membership of the Scheme.
- 4.16 “**Cost**” in relation to a benefit, the net amount payable in respect of a relevant health service.
- 4.17 “**Council**”
the Council for Medical Schemes as defined in the Act.
- 4.18 “**Creditable coverage**” means any period in which a late joiner was
- a) a member or a dependant of a medical scheme
 - b) a member or a dependant of an entity doing the business of a medical scheme which, at the time of his or her membership of such entity was exempt from the provisions of the Act.
 - c) a uniformed employee of the South African National Defence Force or a dependant of such employee, who received medical benefits from the South African National Defence Force or;
 - d) a member or a dependant of the Permanent Force Continuation Fund;
- But excluding any period of coverage as a dependant under the age of 21 years.

- 4.19 **“Date of Service”** shall mean
- 4.19.1 in the event of hospitalisation, the date of each discharge from a hospital or nursing home, or the date of cessation of membership of the Scheme, whichever date occurs first;
- 4.19.2 in the event of any other service, the date on which such service was rendered or requirement obtained.
- 4.20 **“Dependant”** shall mean
- 4.20.1 a member’s spouse or partner who is not a member or a registered dependant of a member of a medical scheme;
- 4.20.2 a member’s dependent child who is not a member or a registered dependant of a member of a medical scheme;
- 4.20.3 the immediate family of a member, a parent, brother or sister in respect of whom the member is liable for family care and support and who is not in receipt of a regular income greater than the social pension;
- 4.20.4 such other persons who are recognized by the Board as dependants for purposes of these Rules.
- 4.20.5 The Common Law **Spouse** or **Partner** of a member, irrespective of the sex of the partner, who is not a member of another medical scheme and who has been residing with the member as confirmed in an affidavit from the member.
- 4.20.6 a Member’s child who is over the age of 21 years but not over the age of 25 years, not self-supporting and who is a full-time student at a University or recognised college, who is recognized as such Dependant for a period not exceeding 12 months at a time;
- 4.20.7 a Member’s child, stepchild or legally adopted child who is over the age of 21 years, unmarried, not self-supporting owing to mental or physical defects, is not admitted as a member or a dependant of a member of any other medical scheme, who is recognised as such Dependant;

- 4.21 **“Dependent”** in relation to a child, a child under the age of 21 who is not in receipt of a regular remuneration of more than the maximum social pension per month or a child who, due to a mental or physical disability is dependent upon the member.
- 4.22 **“Designated service provider”**
A healthcare provider or group of providers selected by the scheme as preferred provider/s to provide to the members, diagnosis, treatment and care in respect of one or more prescribed minimum benefit conditions.
- 4.23 **“Disputes Committee”** shall mean the committee described in Rule 28.
- 4.24 **“Emergency medical condition”**
the sudden and, at the time, unexpected onset of a health condition that requires immediate medical or surgical treatment, where failure to provide medical or surgical treatment would result in serious impairment to bodily functions or serious dysfunction of a bodily organ or part, or would place the person’s life in serious jeopardy.
- 4.25 **“Employee”** shall mean a person in the employ of the Employer.
- 4.26 **“Employer”** shall mean Pick ‘n Pay or any company or organisation associated with Pick ‘n Pay.
- 4.27 **“Financial Year”** shall mean the Financial Year of the Scheme, which shall extend from 1 January to 31 December of each year.
- 4.28 **“General waiting period”** shall mean a three month period during which a beneficiary is not entitled to claim any benefits.
- 4.29 **“Income”** shall mean in respect of an Employee, his monthly Salary and in respect of a Pensioner member, 75% of his final salary before retirement. In the case of a weekly-paid employee his monthly Salary shall be taken to be 196 times his hourly rate.

- 4.30 **“Medical Spending Account”** shall mean an account kept by the Scheme in the name of a Member for the sole use of the Member.
- 4.31 **“Member”** shall mean any person who contributes to the Scheme in order to obtain benefits in terms of the Rules for either himself or for his registered Dependants.
- 4.32 **“Member Family”** shall mean the Member and all his registered Dependants.
- 4.33 **“Minimum benefits”**
the benefits in respect of relevant health services as prescribed by the Minister in terms of section 67 (1)(g) of the Act.
- 4.34 **“National Health Reference Price List (NHRPL)”**
the reference price list for health services published by the Department of Health.
- 4.35 **“Maximum Medical Aid Price (MMAAP)”**
the price contained on the list for equivalent or generic Medicines where an equivalent or generic Medicine for the prescribed Medicine appears on the list of equivalent or generic Medicines developed or adopted by the Scheme from time to time.
- 4.36 **“Partner”** a person with whom the member has a committed and serious relationship akin to a marriage based on objective criteria of mutual dependency and a shared and common household, irrespective of the gender of either party.
- 4.37 **“Pensioner Member”** shall mean a Member who retired from the service of the Employer in terms of Rule 6.2
- 4.38 **“Pre-existing sickness condition”** means a sickness condition for which medical advice, diagnosis, care or treatment was recommended or received within the twelve-month period ending on the date on which an application for admission to the Scheme was made.

- 4.39 **“Prescribed minimum benefits”**
the benefits contemplated in section 29(1)(o) of the Act and consist of the provision of the diagnosis, treatment and care costs of –
- a) the Diagnosis and Treatment Pairs listed in Annexure A of the regulations, subject to any limitations specified therein, and
 - b) any emergency medical condition
- 4.40 **“Prescribed minimum benefit condition”**
a condition contemplated in the Diagnosis and Treatment Pairs listed in Annexure A of the Regulations or any emergency medical condition.
- 4.41 **“Registrar”** shall mean the Registrar or Deputy Registrar of Medical Schemes appointed under section 18 of the Act.
- 4.42 **“Rules”** shall mean the rules of the Scheme and shall include the Appendices and any other provisions relating to the benefits granted or the Contributions payable.
- 4.43 **“Salary”** shall mean the basic retirement funding salary or wage of a Member received from his Employer, and shall not include:
- 4.43.1 fees, honoraria or bonuses of any kind; or
 - 4.43.2 any special remunerations which a Member may receive for performing special duties or while temporarily acting in a higher capacity; or
 - 4.43.3 any other allowances of any nature whatsoever.
- 4.44 **“Social pension”** the appropriate maximum basic social pension prescribed by regulations promulgated in terms of the Social Assistance Act, 1992 (Act No.59 of 1992).
- 4.45 **“Spouse”**, the person to whom the member is married in terms of any law or custom.

5. OBJECTIVES

The objectives of the Scheme are to establish and maintain a fund by Contributions, donations or otherwise and thereby to make provision for:

- 5.1 the obtaining of any relevant health service;
- 5.2 the granting of assistance to Members in defraying expenditure incurred by them and their Dependants in connection with relevant healthcare treatment in accordance with the Rules; and
- 5.3 the rendering of a relevant health service, contemplated in the Rules to Members and their Dependants, either by the Scheme itself or by any supplier, or group of suppliers of a relevant health service or by any person in association with, or in terms of an agreement with, the Scheme.

6. MEMBERSHIP**6.1 Eligibility**

- 6.1.1 Subject to rule 8, membership of the Scheme is restricted to employment or former employment by the employer.
- 6.1.2 Membership of the Scheme shall be compulsory in respect of those Employees of an Employer who are paid monthly on the National Salary System and for whom membership is a condition of employment. Membership of the Scheme shall be voluntary in respect of those Employees of an Employer who are paid monthly on the Regional Salary System.

6.2 Retirees

- 6.2.1 A member shall retain his membership of the Scheme with his registered dependants, if any, in the event of his retiring from the service of his Employer or his employment being terminated by his Employer on account of age, ill-health or other disability.

- 6.2.2 The Scheme shall inform the member of his right to continue his membership and of the Contribution payable from the date of retirement or termination of his employment. Unless such Member informs the Trustees in writing of his desire to terminate his membership, he shall continue to be a member.

6.3 Dependants of deceased members

- 6.3.1. The Dependants of a deceased member who are registered with the Scheme as his Dependants at the time of his death, shall be entitled to remain as Continuation Members of the Scheme without any new restrictions, limitations or waiting periods.
- 6.3.2 The Scheme shall inform such Dependants of their right to membership and of Contributions payable in respect thereof.
Unless such person informs the Board in writing of his intention not to become a member, he shall be admitted as a member of the Scheme.
- 6.3.3 Such a member's membership terminated if he becomes a member or a dependant of a member of another medical scheme.
- 6.3.4 Where a child dependant/s has been orphaned, the eldest child may be deemed to be the member, and any younger siblings, the child dependant/s.

7. REGISTRATION AND DE-REGISTRATION OF DEPENDANTS

7.1 REGISTRATION OF DEPENDANTS

- 7.1.1 On admission to the Scheme, a Member may register his spouse and children and such other dependants that he chooses. Should a member wish to register an adult dependant, written application must be made to the Trustees. A member may only register one spouse or ex-spouse as a dependant for the duration of his membership on the Scheme. Any ex-spouse who is registered as a dependant on the Scheme, must have been registered as a dependant prior to the divorce and must not be self-supporting. A member may not, therefore, register an ex-spouse as a dependant on the Scheme subsequent to the finalisation of the divorce proceedings.

7.1.2 A member who elects to register a new-born or newly adopted Child as his dependant, shall notify the Scheme within 30 days of the birth or adoption of a child, and shall apply to the Scheme to register such Child as a Dependant. Increased Contributions shall be due as from the first day of the month following birth or adoption. Benefits will accrue as from the date of birth or adoption.

7.1.3 A member whose marital status changes subsequent to joining the Scheme and who elects to register his dependants, is required to notify the Scheme within 30 days thereof, and to subscribe at the amended rates from the first day of the month following the change in his marital status. Benefits will be adjusted from the date of such change in status.

7.2 **Deregistration of Dependants**

7.2.1 A member shall inform the Scheme within 30 days of the occurrence of any event which results in any one of his Dependants no longer satisfying the conditions in terms of which he may be a Dependant.

7.2.2 When a Dependant ceases to be eligible to be a Dependant, he shall no longer be deemed to be registered as such for the purpose of the Rules or entitled to receive any benefits, regardless of whether notice has been given in terms of these Rules or otherwise.

8. **TERMS AND CONDITIONS APPLICABLE TO MEMBERSHIP**

8.1 A person may not become a member of the Scheme if he is under the age of sixteen years and does not have the consent of his parent or guardian.

8.2 No person may be a member of more than one medical scheme or a dependant:

8.2.1 of more than one member of a particular medical scheme; or

8.2.2. of members of different medical schemes; or

- 8.2.3 claim or accept benefits in respect of himself or any of his dependants from the medical scheme in relation to which he is not a member.
- 8.3 An employee who elects to join the Scheme shall complete and submit to the Scheme, at the date of his employment, the application forms required by the Trustees. Every member shall furnish satisfactory evidence of age in respect of himself and his dependants within three months of the Admission Date, together with such other information as the Trustees may require; provided that on application for membership, a person must submit evidence of the state of health and the health of his Dependants to the satisfaction of the Trustees; provided further that the Trustees may in any particular case require a medical report at the expense of the Scheme, in respect of a condition for which medical advice, diagnoses, care or treatment was recommended or received within the twelve-month period ending on the date on which application for admission to the Scheme was made.
- 8.4 On admission the Scheme may impose upon a person in respect of whom an application is made for membership or the registration as a dependant-
- 8.4.1 a general waiting period of three months, during which period no insured benefits whatsoever shall accrue, but contributions shall be paid to the Scheme in full;
- 8.4.2 condition-specific waiting period of up to 12 months in respect of any condition contemplated in rule 8.3. If both a general waiting period and a condition-specific waiting period are imposed, they will run concurrently, but the provisions of the general waiting period shall predominate. No insured benefits shall accrue for services in respect of a condition for which a waiting period has been imposed, but contributions shall be paid to the Scheme in full.
- 8.5 Subject to Rule 8.7, the general waiting period shall not apply-
- 8.5.1 to a person who has been a beneficiary of a medical scheme for a continuous period of less than twenty-four months immediately preceding his application and who applies within ninety days of ceasing to be such beneficiary.

-
- 8.5.2 to a child dependant born during his parents' membership of the Scheme;
- 8.5.3 to a beneficiary who changes from one benefit option to another;
- 8.5.4 to a person who was previously a beneficiary of a medical scheme and who applies within ninety days of ceasing to be such beneficiary, to become a beneficiary of the Scheme because of a change of employment or of his employer changing medical schemes or terminating its participation in the scheme concerned; and
- 8.5.5 in respect of the prescribed minimum benefits, except where a person has not been a beneficiary of a medical scheme for at least ninety days immediately preceding his application.
- 8.6 Subject to Rule 8.7, a condition-specific waiting period shall not apply-
- 8.6.1 to a person who has been a beneficiary of a medical scheme for a continuous period of at least twenty-four months immediately preceding his application and who applies within ninety days of ceasing to be such beneficiary;
- 8.6.2 to a child dependant born during his parents' membership of the Scheme;
- 8.6.3 to a beneficiary who changes from one benefit option to another;
- 8.6.4 to a person who was previously a beneficiary of a medical scheme and who applies within ninety days of ceasing to be such beneficiary, to become a beneficiary of the Scheme because of a change of employment or of his employer changing medical schemes or terminating its participation in the scheme concerned; and
- 8.6.5 in respect of the prescribed minimum benefits, except where a person has not been a beneficiary of a medical scheme for at least ninety days immediately preceding his application.
- 8.7 The Scheme may apply the un-expired duration of a waiting period-
- 8.7.1 imposed on an applicant by a previous medical scheme if such waiting period had not expired at the time of termination from the previous medical scheme; and

- 8.7.2 where beneficiaries change from one benefit option to another.
- 8.8 The registered Dependants of a Member shall be entitled to the same benefits as the Member, and shall participate in the same benefit option as the member.
- 8.9 Every member will, on admission to membership, receive a detailed summary of these rules which shall include contributions, benefits, limitations, the member's rights and obligations. Members and their dependants, and any person who claims any benefit under these Rules or whose claim is derived from a person so claiming are bound by these Rules as amended from time to time.
- 8.10 A member may not cede, transfer, pledge or hypothecate or make over to any third party any claim, or part of a claim or any right to a benefit which he may have against the Scheme. The Scheme may withhold, suspend or discontinue the payment of a benefit to which a member entitled under these rules, or any right in respect of such benefit or payment of such benefit to such member, if a member attempts to assign or transfer, or otherwise cede or to pledge or hypothecate such benefit.
- 8.11 The Scheme shall in no circumstances be obliged to re-instate membership of a member whose membership has been terminated in terms of rule 12.4 or 12.5.
- 8.12 Should a Member not elect to register his eligible dependants on his Admission Date, such dependants shall, upon future application for registration, be required to produce evidence of their state of health to the satisfaction of the Trustees. Their eligibility for benefits shall be subject to the medical report and the waiting periods in terms of Rule 8.
- 8.13 Subject to Rule 8 where a Member terminates his membership with a view to becoming a dependant on his spouse's medical scheme, he may be re-admitted as a Member of the Scheme . Their eligibility for benefits shall be subject to the medical report and the waiting periods in terms of Rule 8.

9. **TRANSFER OF EMPLOYER GROUPS FROM ANOTHER MEDICAL SCHEME**

If the members of a medical scheme who are members of that scheme by virtue of their employment by a particular employer, terminate their membership of such scheme with the object of obtaining membership of this Scheme in terms of these rules, the Board will admit as a member, without a waiting period or the imposition of new restrictions on account of the state of his health or the health of any of his dependants, any member of such first-mentioned scheme who is a continuation member by virtue of his past employment by the particular employer and register as dependant, any person who has been a registered dependant of such member.

10. **MEMBERSHIP CARD AND CERTIFICATE OF MEMBERSHIP**

10.1 Every Member shall be issued with a membership card, containing such particulars as are prescribed by the Act. This card must be exhibited to the supplier of a service on request. It remains the property of the Scheme and shall be returned to the Scheme on termination of membership.

10.2 The utilization of a membership card by any person other than the Member or his registered Dependants, with the knowledge or consent of the member or his dependants, is not permitted and shall be construed as an abuse of the benefits of the Scheme.

10.3 On termination of membership or on deregistration of a dependant, a beneficiary shall, on request, be furnished with a certificate of membership or cover, containing such particulars as may be prescribed.

11. **CHANGE OF ADDRESS**

A member shall notify the Scheme within 30 days of any change of address. The Scheme shall not be held liable if a beneficiary's rights are prejudiced or forfeited as a result of neglect to comply with the requirements of this rule.

12. TERMINATION OF MEMBERSHIP**12.1 Resignation**

12.1.1 A member who, in terms of his conditions of service as an Employee, is required to be a member of the Scheme, shall not be permitted to withdraw his membership while he remains an Employee, except where such Member becomes a dependant on his spouse's medical scheme, provided that on re-admission to membership of the Scheme, the provisions of Rule 8 shall apply.

12.1.2 Except as provided in Rule 6.3, a Member who ceases to be an Employee shall cease to be a Member on the date of such termination, and all rights to benefits shall thereupon cease, except for claims in respect of services rendered prior thereto. A member aged 55 and older who voluntarily leaves the services of the Employer prior to retirement may apply to the Board to remain a member of the Scheme, provided that he continues to pay the applicable contributions in respect of himself and of his registered dependants.

12.2 Voluntary termination of membership

12.2.1 A member, who is not required in terms of his conditions of employment to be a member, may terminate his membership of the Scheme on giving one month's written notice. All rights to benefits cease after the last day of membership.

12.2.2 Such notice period shall be waived in substantiated cases where membership of another medical scheme is compulsory as a result of a condition of employment.

12.2.3 A participating employer may terminate his participation with the Scheme on giving three months' written notice.

12.3 Death

Membership of a member terminates on his death.

12.4 Failure to pay amounts due to the Scheme

If a member fails to pay amounts due to the Scheme, his membership may be terminated as provided in these rules.

12.5 Abuse of privileges, false claims, misrepresentation and non-disclosure of factual information

Subject to the provisions of Rule 28 the Trustees may exclude from benefits or terminate the membership of a Member or Dependant whom the Trustees finds guilty of abusing the benefits and privileges of the Scheme by presenting false claims or making a material misrepresentation or non-disclosure of factual information. In such event he may be required by the Trustees to refund to the Scheme any sum which, but for his abuse of the benefits or privileges of the Scheme, would not have been disbursed on his behalf.

13. CONTRIBUTIONS

13.1 The total monthly Contributions payable to the Scheme by or in respect of each member and his dependants shall be the amount due in respect of each beneficiary as indicated in Annexure A.

13.2 Contributions shall be paid monthly in arrears, except that Members who are Members in terms of Rule 6.2 or Rule 6.3 shall pay contributions monthly in advance and be payable by not later than the 3rd day of each month. Where Contributions have not been paid within 30 days of the due date, the Scheme shall have the right to give the Member written notice that if contributions are not paid up to date within 10 days, membership may be cancelled. Such notice must be given by means of registered post.

13.3 When a member's employment is terminated or when registration as a dependant ceases on the fifteenth day of a month or later, contributions shall be paid for the full month. Where employment or registration as a dependant is terminated prior to the fifteenth day of a month, no contributions is payable for that month.

13.4 Contributions in respect of a new member and his dependants payable to the Scheme shall be due from the first day of the month in which employment commences, except when employment commences or a dependant is registered as such after the fifteenth day of the month, then Contributions will commence from the first day of the following month.

13.5 Part of the contributions payable in respect of a beneficiary shall be credited to a Medical Spending Account for that member and his dependants.

14. **LIABILITY OF EMPLOYER AND MEMBER**

14.1 The liability of the Employer shall be limited to the amount of his unpaid contributions or subsidy.

14.2 The liability of a member shall be limited to the amount of his unpaid contributions together with any sum disbursed by the Scheme on his behalf or on behalf of his dependants which has not been repaid by him to the Scheme. Any amount owing by a member to the Scheme in respect of himself or his dependants may be recouped out of his remuneration from the Employer by arrangement with such member.

14.3 In the event of a member ceasing to be a member, any amount still owing by such member shall be a debt due to the Scheme and recoverable by it.

15. **CLAIMS PROCEDURE**

15.1 Every claim submitted to the Scheme in respect of the rendering of a relevant health service as contemplated in the Rules, shall be accompanied by an account or statement which shall comply with the provisions of the Act.

15.2 In order to qualify for benefits, any claim by a member shall, unless otherwise arranged, be signed and certified as correct and shall be submitted to the Scheme not later than the last day of the fourth month following the month in which the service was rendered. Every claim submitted to the Scheme shall contain such additional information as the Trustees may require, relating to the beneficiary and the nature of the service provided.

- 15.3 Where an account has been paid by a member, he shall submit a receipt in support of his claim.
- 15.4 Accounts for treatment of injuries or expenses recoverable from third parties, shall be supported by a statement setting out particulars of the circumstances in which the injury was sustained.
- 15.5 Where the Scheme is of the opinion that an account, statement or claim is erroneous or unacceptable for payment, the Scheme shall notify the member or the healthcare provider, whichever is applicable, accordingly within 30 days after receipt thereof. The Scheme shall state the reasons why such claim is erroneous or unacceptable and afford such member or provider the opportunity to return such corrected claims to the Scheme within sixty days of the notice.
- 15.6 Any amount which has been recovered or may be recovered by the member or dependants as compensation from insurance or any other source, in respect of any illness or accident, must be disclosed by the member to the Board and such amount shall be deducted from the amount payable by the Scheme in respect of such accident or illness, provided that the Board may in its discretion decide in any particular case to make such deductions or make part of such deduction only.
16. **BENEFITS**
- 16.1.1 Subject to the limitations imposed by these Rules, members shall be entitled to benefits during a Financial Year as per Annexure B, and such benefits shall extend to the dependants of the member.
- 16.1.2 All members shall be eligible for the benefits specified in Part 1 of Annexure B, subject to the limitations and conditions specified in these Rules. In particular, the benefits payable shall be limited by the limitations and exclusions detailed in Annexure C.
- 16.1.3 Members admitted during the course of a Financial Year shall be entitled to the benefits set out in Annexure B with the annual limits being reduced to one-twelfth of the Annual Limits applicable to the full year in respect of the

Medical Spending Account, for each complete month of membership from the Admission Date of that member to the end of that Financial Year. In respect of all other benefits the Annual Limits will be adjusted in proportion to the period of membership calculated from the date of admission to the end of that Financial Year.

- 16.1.4 A claim shall be considered as falling within a Financial Year if the liability was incurred by the member or dependant within such Financial Year.
- 16.1.5 The benefits specified in Table B.3 of Annexure B will be payable by the Scheme and deducted from the member's Medical Spending Account.
- 16.1.6 The Trustees shall be entitled to withhold payment of any benefit to a member in respect of any service, whose contributions are more than one month in arrear, and where amounts have been paid in accordance with Rule 17, the member will be held liable for the full amount.
- 16.1.7 The Scheme shall where an account has been rendered, pay any benefit due to a member, either to that member or to the supplier of the relevant health service who rendered the account, within 30 days of receipt of the claim pertaining to such benefit.
- 16.1.8 Notwithstanding anything to the contrary in these rules contained and subject to Annexure D, the Scheme covers in full, at a designated service provider, the cost of the minimum benefits as may be prescribed from time to time. If cover in terms of these rules, for a condition specified in the statutory prescribed minimum benefits is exhausted or not reasonably available at a designated service provider for any reason, while the patient is still undergoing or requires diagnosis, care or treatment for that condition, the Scheme will provided that beneficiary with the cover prescribed, in the most cost effective provider or provider network, which may be a lower cost provider or provider network.
- 16.1.9 The designated service providers referred to in 16.1.8 shall be the public hospital system in South Africa or the Scheme's Preferred Provider Network Hospitals. The Centre for Diabetes and Endocrinology shall be the designated service provider for all diabetes related treatment.

16.1.10 In cases of illness of a protracted nature, the Trustees shall have the right to insist upon a member or dependant consulting any particular specialist that the Trustees may nominate in consultation with the attending practitioner. In such case, if the specialist's proposed treatment is not acted upon, no further benefits will be allowed for that particular illness.

16.2 **MEDICAL SPENDING ACCOUNTS.**

16.2.1 A portion of each member's contributions, as specified in Annexure A, will be credited to an account kept by the Scheme in respect of each member, called a Medical Spending Account.

16.2.2 Certain benefits will be paid by deduction from the Medical Spending Account, as set out in Annexure B, provided that the total benefits paid from the Medical Spending Account do not exceed the Annual Limit for those benefits. In addition to these benefits, members may draw on any accumulated balance to settle the difference between the amount charged and the benefit paid for hospitalisation. Any balance accumulated after the first year of membership may be used to fund preventative and promotive health benefits as detailed in Annexure B and as provided by the Trustees from time to time.

16.2.3 The Annual Limits for benefits from a Medical Spending Account will be the Annual Limits specified in Annexure B, increased by the amount of the credit balance, if any, in the Medical Spending Account for a Member at the beginning of that Financial Year.

16.2.4 The Medical Spending Accounts will be credited with interest from time to time, at a rate determined by the Trustees.

16.2.5 An amount will be credited each month to the Medical Spending Account of each Member, in respect of Contributions, equal to the amounts as defined in Annexure A.

- 16.2.6 In the event of a Member dying the amount, if any, standing to his credit in his Medical Spending Account shall either be paid to his dependants or, if his Dependants become Continuation Members, into their Medical Spending Account. Such payment shall be made after the expiry of a period of four complete months after the death of the Member. Members retiring as an employee of the Employer, but remaining as Continuation Members on the Scheme are not entitled to withdraw any credit remaining in their Medical Spending Accounts.
- 16.2.7 In the event of a Member terminating his membership of the Scheme, other than due to his death, and not being admitted as a member of another medical scheme or admitted to membership of another medical scheme which does not provide for a Medical Spending Account, the amount, if any, standing to his credit in his Medical Spending Account shall be paid to him after the expiry of a period of four complete months after his termination of membership.
- 16.2.8 Should a member terminate his membership of the Scheme and be admitted to membership of another medical scheme which provides for a similar account, the balance due to the member must be transferred to such scheme within 5 months after termination of membership.

17 PAYMENT OF ACCOUNTS

- 17.1 Payment of accounts is restricted to the maximum amount of the benefit entitlement in terms of the applicable benefit and option elected.
- 17.2 The Scheme may, by mutual agreement with any supplier of group of suppliers of a service, pay the benefit to which the Member is entitled in respect of a service rendered, direct to such supplier.
- 17.3 Where the Scheme has paid an account or portion of an account, or any benefit to which a Member is not entitled, whether payment is made to the Member or to the supplier of a service, the amount of any such overpayment shall be recoverable by the Scheme.

17.4 Notwithstanding the provisions of this rule, the Scheme has the right to pay any benefit directly to the member concerned.

17.5 The Trustees shall not authorise payment for services other than those provided for in the Rules but may, in its absolute discretion, make ex gratia payments.

18 GOVERNANCE

18.1 The affairs of the Scheme shall be managed according to these Rules by a Board consisting of at least eight persons who are fit and proper to be Trustees.

18.2 50% of the Trustees shall be appointed by the Employer and employed by the Company and shall serve for a period of three years.

18.3 50% of the Trustees shall be elected by members who shall be members of the Scheme and shall serve for a period of three years.

18.4 The Trustees shall convene an Annual General Meeting of Members within five months of the end of each Financial Year.

18.5 The following persons are not eligible to serve as members of the Board:

18.5.1 A person under the age of 21 years;

18.5.2 A director, employee, partner, representative, officer, consultant, contractor or agent of the administrator of the Scheme of the holding company, subsidiary, joint venture or associate of that administrator;

18.5.3 A broker;

18.5.4 The principal officer of the Scheme; and

18.5.5 The auditor of the Scheme.

-
- 18.6 Retiring members of the Board shall be eligible for re-election provided no person shall serve more than two consecutive terms and no more than a total of three terms.
- 18.7 Nominations to fill vacancies of elected members, signed by the candidate signifying his consent to stand for election, must be submitted to the Scheme by 31 March, of the year concerned and the election must be carried out by the members of the Scheme present at the annual general meeting of the Scheme.
- 18.8 The Trustees shall have power to fill any casual vacancy of elected members that may occur during its term of office. A person so appointed shall retire at the first ensuing annual general meeting and that meeting shall fill the vacancy for the unexpired period of office of the vacating member.
- 18.9 The Board may co-opt a knowledgeable person to assist it in its deliberations provided that such person shall not have a vote.
- 18.10 A quorum is constituted by a number of members of the Board physically present at a meeting of that Board, which number shall be not less than half of the members of the Board plus one.
- 18.11 The Trustees shall select from its number the chairperson.
- 18.12 In the absence of the chairperson, the Trustees present shall elect one of their number to act in the capacity of chairperson.
- 18.13 Matters before the Trustees shall be decided by a majority vote and in the event of an equality of votes, the chairperson shall have a casting vote in addition to his deliberative vote.
- 18.14 A Trustee may resign at any time by giving written notice to the Board.
- 18.15 A Trustee may cease to hold office if –
- 18.15.1 he becomes mentally ill or incapable of managing his affairs; or

-
- 18.15.2 he is declared insolvent or has surrendered his estate for the benefit of his creditors; or
- 18.15.3 he is convicted, whether in the Republic or elsewhere, of theft, fraud, forgery or uttering of a forged document or perjury; or
- 18.15.4 he is removed by the Court from any office of trust on account of misconduct; or
- 18.15.5 he absents himself from three consecutive meetings of the Trustees without the prior permissions of the chairperson; or
- 18.15.6 he is removed from office by the Council in terms of Section 46 of the Act.
- 18.15.7 The provisions of rules 18.15.1 – 18.15.5 apply *mutatis mutandis* to the principal officer.
- 18.16 The Trustees shall meet at least once every three months, or at such intervals as it may deem necessary.
- 18.17 The chairperson may convene a special meeting should the necessity arise. Any two Trustees may request the chairperson to convene a special meeting of the Trustees, provided that the matters to be discussed at the meeting are clearly stated in the request. Within seven days after receipt of the request, the Chairperson shall convene a meeting of the Trustees to deal with the matters stated therein.
- 18.18 The Trustees may delegate any of their powers to the Principal Officer or to a committee consisting of such of its members as they may nominate, provided that the committee so nominated shall in the exercises of its powers conform to any rules or instructions that may be issued to it by the Trustees.
- 18.19 The Board may, subject to participation by sufficient members to form a quorum, discuss and resolve matters by telephone or electronic conferencing means and may adopt resolutions on that basis.

- 18.20 Members of the Board are not entitled to any remuneration, honorarium or any other fee in respect of services rendered in their capacity as members of the Board.
- 18.21 A member of the Board who acts in a manner which is seriously prejudicial to the interests of beneficiaries of the medical scheme may be removed by the Board, provided that
- 18.21.1 before a decision is taken to remove the member of the Board, the Board shall furnish that member with full details of the evidence which the Board has at its disposal regarding the conduct complained of, and allow such member a period of not less than 30 days in which to respond to the allegations.
- 18.21.2 the resolution to remove that member is taken by at least two thirds of the members of the Board;
- 18.21.3 the member shall have recourse to disputes procedures of the scheme or complaints and appeal procedures provided for in the Act.
- 19 **DUTIES OF THE BOARD OF TRUSTEES**
- 19.1 The Board is responsible for the proper and sound management of the Scheme, in terms of these rules.
- 19.2 The Board must act with due care, diligence, skill and in good faith.
- 19.3 Members of the Board must avoid conflicts of interests, and must declare any interest they may have in any particular matter serving before the Board.
- 19.4 The Board must apply sound business principles and ensure the financial soundness of the Scheme.
- 19.5 The Board shall appoint a principal officer who is fit and proper to hold such office and may appoint any staff which in its opinion are required for the proper execution of the business of the Scheme, and shall determine the terms and conditions of service of the principal officer and of any person employed by the Scheme: Provided that the following persons shall not be eligible to be a principal officer –

-
- 19.5.1 An employee, director, officer, consultant or contractor of the administrator of the Scheme or of the holding company, subsidiary, joint venture or associate of that administrator.
- 19.5.2 A broker.
- 19.6 The Chairperson shall preside and preserve due and proper conduct at meetings and to see that the Rules of the Scheme are properly administered,
- 19.7 The Trustees shall cause to be kept such minutes, accounts, entries, registers and records as are essential for the proper working of the Scheme.
- 19.8 The Board must ensure that proper control systems are employed by and on behalf of the scheme.
- 19.9 The Board must ensure that adequate and appropriate information is communicated to the members regarding their rights, benefits, contributions and duties in terms of the Rules.
- 19.10 The Board must take all reasonable steps to ensure that contributions are paid timeously to the scheme in accordance with the Act and the Rules.
- 19.11 The Board must take out and maintain an appropriate level of professional indemnity insurance and fidelity guarantee insurance.
- 19.12 The Board must obtain expert advice on legal, accounting and business matters as required, or on any other matter of which the members of the Board may lack sufficient expertise.
- 19.13 The Board must ensure that the Rules and the operation and administration of the scheme comply with the provisions of the Act and all other applicable laws.
- 19.14 The Board must take all reasonable steps to protect the confidentiality of medical records concerning any member or dependant's state of health.

- 19.15 All disbursements shall be approved by the Trustees, provided that such authority may be delegated to the Principal Officer and such other person as the Trustees may approve.
- 19.16 The Board must cause to be kept in safe custody, in a safe or strong-room at the registered office of the Scheme or with any financial institution approved by the Trustees, any mortgage bond, title deed or other security belonging to or held by the Scheme, except when in the temporary custody of another person for the purposes of the Scheme.
- 19.17 The Trustees shall make such provision as they deem desirable, and with due regard to normal practice and recommended guidelines pertaining to retention of documents, for the safe custody of the books, records, documents and other effects of the Scheme.
- 19.18 The Scheme shall in respect of every Financial Year cause annual financial statements to be prepared and shall within four months after the end of a Financial Year, furnish a copy of the audited statements concerned together with the annual report to the Registrar.
- 19.19 The Board shall disclose annually in writing to the Registrar, any payment or considerations made to members of the Board in that particular year by the Scheme.
- 20 **POWERS OF TRUSTEES**
- 20.1 The Trustees shall have the power to cause the termination of the services of any employee of the Scheme.
- 20.2 The Trustees shall have the power to take all necessary steps and to sign and execute all necessary documents to ensure the due fulfilment of the Scheme's obligations.
- 20.3 The Trustees shall have the power to appoint a committee consisting of such Trustees and other experts as it may appoint and to delegate any of its powers to such committee.

-
- 20.4 The Trustees shall have the power to appoint a duly accredited Administrator for the proper execution of the business of the Scheme. The terms and conditions of such appointment shall be contained in a written contract, which complies with the requirements of the Act and the regulations.
- 20.5 The Trustees shall have the power-
- 20.5.1 to receive, administer and apply the monies of the Scheme;
- 20.5.2 to open and operate a banking account or accounts in the name of the Scheme;
- 20.5.3 to contract with managed health care organisations subject to the provisions of the Act and its regulations;
- 20.5.4 to purchase movable and immovable property for the use of the Scheme and to sell, let or hire the same or any of it;
- 20.5.5 to let or hire movable or immovable property.
- 20.6 The Trustees may appoint a competent liquidator in the case of voluntary dissolution.
- 20.7 In respect of any monies not immediately required to meet current charges upon the Scheme and subject to the provisions of the Act, to lend, invest or otherwise to deal with such monies upon such security and in such manner as the Trustees may from time to time decide and to realise, e-invest or otherwise deal with such monies and investments in such matter as they may from time to time determine.
- 20.8 With the prior approval of the Council for Medical Schemes, to borrow money for the Scheme from the Scheme's Bankers against the security of the Scheme's assets for the purpose of bridging a temporary shortage.

-
- 20.9 Subject to the provisions of any law, the Trustees may cause the Scheme, whether on its own or in association with any person, to establish or operate any pharmacy, hospital, clinic, maternity home, nursing home, infirmary, home for aged persons or any similar institution, in the interest of the beneficiaries of the Scheme.
- 20.10 The Trustees may make a donation to any hospital, clinic, nursing home, maternity home, infirmary or home for aged persons in the interests of all or any of the beneficiaries of the Scheme.
- 20.11 To grant repayable loans to members or to make *ex gratia* payments on behalf of members in order to assist such members to meet commitments in regard to any matter specified in Rule 5.
- 20.12 The Trustees may contribute to any association or any fund conducted for the benefit of the employees of the Scheme.
- 20.13 To reinsure obligations in terms of the benefits provided for in these rules.
- 20.14 The Trustees may authorise such officers of the Scheme or Trustees as it may decide from time to time, and upon such terms and conditions as the Trustees may decide, to sign any contract or other document binding or relating to the Scheme or any document authorising the performance of any act on behalf of the Scheme.
- 20.15 To contribute to any association instituted for the furtherance, encouragement and co-ordination of medical schemes.
- 20.16 Any matters not specifically covered by these Rules shall be left to the discretion of the Trustees, provided that the decision of the Trustees shall not be inconsistent with the objects of the Scheme.

21 DUTIES OF THE SCHEME'S OFFICERS

- 21.1 The officers of the Scheme shall ensure the confidentiality of any information regarding its Members.

-
- 21.2 The Principal Officer is the Executive Officer of the Scheme and as such shall ensure that:
- 21.2.1 the decisions and instructions of the Board are executed without unnecessary delay.
- 21.2.2 where necessary, there is proper and appropriate communication between the Scheme and those parties, affected by the decision and instructions of the Board;
- 21.2.3 he keeps the Board sufficiently and timeously informed of the affairs of the Scheme which relate to duties of the Board as stated in section 57(4) of the Act.
- 21.2.4 he keeps the Board sufficiently and timeously informed concerning the affairs of the Scheme so as to enable the Board to comply with the provisions of section 57(6) of the Act.
- 21.2.5 he does not take any decisions concerning the affairs of the Scheme without prior authorisation by the Board and that he at all times observes the authority of the Board in its governance of the Scheme.
- 21.3 The Principal Officer shall be the accounting officer of the Scheme and arrange for the collection of Contributions, banking of funds and making of payments as authorised by the Trustees.
- 21.4 The Principal Officer shall ensure the carrying out of all functions as are necessary for the proper execution of the business of the Scheme. He shall attend all meetings of the Scheme and of the Trustees, and any other duly appointed committee where his attendance may be required, and ensure proper recording of the proceedings of all meetings of the Scheme.
- 21.5 The Principal Officer shall be responsible for the supervision of the staff employed by the Scheme.
- 21.6 The Principal Officer shall keep full and proper records of all monies received and expenses incurred by, and of all assets, liabilities and financial transactions of the Scheme.

21.7 The Principal Officer shall prepare annual financial statements and shall ensure compliance with all statutory requirements pertaining thereto.

22 **INDEMNIFICATION AND FIDELITY GUARANTEE**

22.1 The Trustees and any officer of the Scheme shall be indemnified by the Scheme against all proceedings, costs and expenses incurred by reason of any claim in connection with the Scheme, not arising from their negligence, dishonesty or fraud.

22.2 The Trustees shall ensure that the Scheme is insured against loss resulting from the dishonesty or fraud of any of its officers (including the Trustees) having the receipt or charge of monies or securities belonging to the Scheme.

23 **FINANCIAL YEAR OF THE SCHEME**

The financial year of the Scheme extends from the first day of January to the 31st day of December of that year.

24 **BANKING ACCOUNT**

The Scheme shall maintain a banking account in the name of the Scheme with a registered commercial bank. All monies received shall be deposited to the credit of such account and all payments shall be made either by electronic transfer or by cheque under the joint signature of not less than two persons duly authorised by the Trustees.

25 **AUDITOR AND AUDIT COMMITTEE**

25.1 Subject to section 36 of the Act, an Auditor who is in public practice shall be appointed at each annual general meeting to hold office from the conclusion of that meeting to the conclusion of the next annual general meeting.

25.2 The following persons are not eligible to serve as auditor of the Scheme –

25.2.1 a member of the Board;

- 25.2.2 an employee, officer or contractor of the Scheme;
- 25.2.3 an employee, director, officer or contractor of the Scheme's administrator, or of the holding company, subsidiary joint venture or associate of that administrator;
- 25.2.4 a person not engaged in public practice as an auditor;
- 25.2.5 a person who is disqualified from acting as an auditor in terms of the Companies Act, 1973.
- 25.3 Whenever for any reason an Auditor vacates his office prior to the expiration of the period for which he has been appointed, the Trustees shall within thirty days appoint another Auditor to fill the vacancy for the unexpired period.
- 25.4 If the Members at a general meeting fail to appoint an Auditor required to be appointed in terms of this rule, the Trustees shall within thirty days make such appointment, and if it fails to do so, the Registrar may at any time do so.
- 25.5 The Auditor of the Scheme shall at all times have a right to access to the books and accounts and vouchers of the Scheme, and shall be entitled to require from the Trustees and the officers of the Scheme such information and explanations as he deems necessary for the performance of his duties.
- 25.6 The Auditor shall make a report to the Members on the accounts examined by him and on the financial statements laid before the Scheme in general meeting.
- 25.7 The Board must appoint an audit committee of at least five members of whom at least two must be members of the Board.
- 25.8 The Auditor of the Scheme shall be entitled to attend any general meeting of the Scheme and to receive all notices of and other communications relating to any general meeting which any Member is entitled to receive and to make at such meetings any statement in relation to any return, account or balance sheet examined by him or report made by him.

- 25.9 At any annual general meeting a retiring Auditor, however, appointed, shall be deemed to be re-appointed at the annual general meeting following his appointment or re-appointment until the conclusion of the next annual general meeting without any resolution being passed to that end; unless:
- 25.9.1 he is not qualified for re-appointment; or
- 25.9.2 a resolution is passed at the first-mentioned meeting appointing somebody else in his place or providing expressly that he is not being re-appointment; or
- 25.9.3 he has given the Scheme notice in writing of his unwillingness to be re-appointed.
- 25.9.4 The members may at any general meeting remove from office any Auditor appointed or re-appointed under this rule and appoint another Auditor in his place, and an Auditor so appointed shall, subject to the provisions of Rule 25.2, retire at the conclusion of the Scheme's first annual general meeting following his appointment.
- 25.10 A resolution at any general meeting: -
- 25.10.1 appointing as Auditor a person other than a retiring Auditor; or
- 25.10.2 providing expressly that a retiring Auditor shall not be re-appointed; or
- 25.10.3 removing an Auditor from office shall not be effective unless notice of intention to move such a resolution has been given to the Scheme not less than sixty days before the meeting at which it is moved.
26. **GENERAL MEETINGS**
- 26.1 Annual General Meeting
- 26.1.1 The Annual General Meeting shall be held not later than 1 June of each year.

- 26.1.2 The notice convening the annual general meeting containing the agenda, the annual financial statements, Auditor's report and annual report shall be dispatched to Members at least 21 days before the date of the meeting. The non-receipt of such notice by a Member shall not invalidate the proceedings at such a meeting.
- 26.1.3 Only members may form a quorum and may vote at meetings. Twenty members in person shall form a quorum. If a quorum is not present after the lapse of 30 minutes from the time fixed for the commencement of the meeting, the meeting shall be postponed till the same day and time of the next week and members then present shall form a quorum. Trustees who are not members of the Scheme have no vote.
- 26.1.4 The financial statements and reports specified in Rule 26.1.2 shall be laid before the annual general meeting.
- 26.1.5 Notice of motions to be placed before the annual general meeting must reach the Principal Officer not later than seven days prior to the date of the meeting.
- 26.2. **Special General Meeting**
- 26.2.1 A special general meeting of members may be called by the Trustees, if it is deemed necessary.
- 26.2.2 On the requisition of at least thirty members, the Trustees shall cause a special general meeting to be called within 21 days of the deposit of the requisition. The requisition shall state the objects of the meeting and shall be signed by all the requisitionists and deposited at the registered office of the Scheme. Only those matters forming the objects of the meeting shall be discussed.
- 26.2.3 The notice convening the special general meeting containing the agenda shall be dispatched to members at least 14 days before the date of the meeting. The non-receipt of such notice by a member shall not invalidate the proceedings at such a meeting.

- 26.2.4 Only members may form a quorum and may vote at a special general meeting. Thirty members present in person shall form a quorum.
- 26.2.5 If a quorum is not present at a special general meeting called by the Trustees after the lapse of 30 minutes from the time fixed for the commencement of the meeting the provisions of rule 26.1.3 shall mutates mutandis apply. If a quorum is not present at a meeting called on the request of members at the time fixed for the commencement of the meeting, the meeting shall be regarded as cancelled. Trustees who are not members of the Scheme have no vote.

27. **VOTING AT GENERAL MEETINGS**

- 27.1 Every member who is present at a general meeting of the Scheme has the right to vote or to appoint, subject to the provisions of Rule 27.3, another person who is a member, as a proxy to attend, speak and to vote in his stead.
- 27.2 The Chairman shall determine whether voting shall be by ballot or by a show of hands. In the event of the votes being equal, the Chairman shall, if he is a member, have a casting vote in addition to a deliberate vote.
- 27.3 The instrument appointing the proxy shall be in writing, in a form determined by the Trustees and shall be signed by the member and the other person who is a member appointed as the member's proxy. The proxy form shall be deposited not later than two days before the time for holding the meeting at the registered office of the Scheme or at such other places as the Trustee shall decide and of which notice has been given in the notice of the meeting.
- 27.4 In default of complying with the provisions of Rule 27.3, the proxy will be deemed invalid.
- 27.5 The Chairman's decision as to whether or not any particular proxy is valid, shall be final and binding on members.

28. COMPLAINTS AND DISPUTES

- 28.1 Members may lodge their complaints, in writing, to the Scheme. The Scheme or its administrators shall also provide a dedicated telephone number which may be used for dealing with telephone complaints.
- 28.2 All complaints received in writing will be responded to by the Scheme in writing within 30 days of receipt thereof.
- 28.3 A Disputes Committee of three members, who shall not be Trustees, employees of the administrator or of the Scheme or officers of the Scheme, shall be elected at each annual general meeting. At least one of such members shall be a person with legal expertise.
- 28.4 Any dispute which may arise between a member, prospective member, former member or a person claiming by virtue of such member, and the Scheme or an officer of the Scheme shall be referred by the Principal Officer to the Disputes Committee for review.
- 28.5 On receipt of a dispute in terms of this rule, the Principal Officer shall convene a meeting of the Disputes Committee by giving not less than 14 days notice in writing to the complainant, the Trustees and all members of the Disputes Committee, stating the date, place and hour of the meeting and particulars of the dispute.
- 28.6 The Disputes Committee may determine the procedure to be followed.
- 28.7 The parties to any dispute shall have the right to be heard before such committee, either in person or through a representative.
- 28.8 The decision of the said committee shall be binding, provided that such decision is subject to appeal to the Council for Medical Schemes. The application of appeal shall be in the form of an affidavit directed to Council and to reach the Registrar not later than three months after the date on which the decision concerned was made.

28.9 A member may appeal to the Council against a decision of a review panel established in terms of Chapter 5 of the regulations to the Act.

29. **TERMINATION OR DISSOLUTION**

29.1 The Scheme may be dissolved by order of a competent court or by voluntary dissolution.

The employer may, on giving three months written notice to the Trustees, reduce, suspend, or terminate his contributions to the Scheme. The Trustees shall thereupon arrange for members to decide by ballot whether the Scheme shall continue business without the Employer's contributions or with his reduced contributions, or whether the Scheme shall be liquidated. Unless a majority of members decide that the Scheme shall continue, the Scheme shall be liquidated as provided for in the Act.

29.2 Members in general meeting may decide that the Scheme shall be dissolved in which event the Trustees shall arrange for Members to decide by ballot whether the Scheme shall be liquidated. Unless the majority of members decided that the Scheme shall continue, the Scheme shall be liquidated in terms of section 64 of the Act.

29.3 In the case of a ballot the Principal Officer shall dispatch to every member by registered post a memorandum containing the reasons for the proposed dissolution and setting forth the proposed basis of distribution of the assets in the event of winding up, together with a ballot paper, provided that the memorandum and ballot paper shall before dispatch be forwarded to the Registrar for comment. Every member shall be requested to return his ballot paper duly completed before a set date.

29.4 If at least 50 percent of the members return their ballot papers duly completed and if the majority thereof are in favour of the dissolution of the Scheme, the Trustees shall take a formal decision that the Scheme shall be dissolved with effect from a set date from which date no further contributions shall be payable to the Scheme.

29.5 If a decision to dissolve the Scheme has been taken, the dissolution shall be effected in accordance with the memorandum and as provided for in the Act.

30. **AMALGAMATION AND TRANSFER OF BUSINESS**

30.1 The Scheme may, subject to the provisions of section 63 of the Act, amalgamate with or transfer its assets and liabilities to or take transfer of assets and liabilities of any other medical Scheme or person. Before such event the Board must arrange for members to decide by ballot whether the proposed amalgamation should be proceeded with or not.

30.2 If at least 50% of the members return their ballot papers duly completed and if the majority thereof is in favour of the amalgamation or transfer then, subject to section 63 of the Act, the amalgamation or transfer may be concluded.

31. **PERUSAL OF DOCUMENTS**

31.1 Any beneficiary shall on request and on payment of a fee of R50 per copy, be supplied by the Scheme with a copy of the following documents:

31.1.1 the Rules of the Scheme, and

31.1.2 the latest audited annual financial statements, returns, Trustees report and auditors report of the Scheme.

31.1.3 The management accounts in respect of the Scheme and all of its benefit options.

31.2 A beneficiary shall be entitled to inspect free of charge at the registered office of the Scheme any document referred to in Rule 31.1 and to make extracts therefrom.

32. **AMENDMENTS OF RULES**

32.1 The Trustees shall be entitled to alter or rescind any rule or Annexure or to make any additional rule or Annexure.

- 32.2 No alteration, rescission or addition which affects the objects of the Scheme or which increases the rates of contributions or decreases the extent of benefits of the Scheme or of any particular benefit option by more than twenty five percent during any financial year, is valid unless it has been approved by a majority of members present in a general meeting or a special meeting or by ballot.
- 32.3 Members shall be furnished with a copy of such amendment within seven days after registration thereof. Should a member's rights, obligations, contributions or benefits be amended, he/she shall be given 30 days advance notice of such change.
- 32.4 Notwithstanding the provisions of Rule 32.1 above, the Trustees shall, on the request and to the satisfaction of the Registrar, amend any rule that is inconsistent with the provision of the Act.
- 32.5 No alteration, rescission or addition shall be valid unless it has been approved and registered by the Registrar in terms of the Act.