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24 August 2001

TO ALL NATIONAL AND PROVINCIAL DEPARTMENTS

**EMPLOYER CONTRIBUTION TO MEDICAL SCHEME MEMBERSHIP FEES
PAYABLE BY OFFICIALS**

1. According to the current collective agreement on medical assistance as contained in PSCBC Resolution 3/99, Part III, the employer contribution towards medical scheme membership fees is paid at a rate of two-thirds of membership fees, limited to a maximum membership fee of currently R 1 377 per month. In other words, a maximum employer contribution of R 918 per month is payable. The Minister for the Public Service and Administration approved that the maximum membership fee amount be increased to R 1 521 per month with effect from 1 April 2001. Thus a maximum employer contribution of R 1 014 per month may be paid.
2. This Department will take up the administration resulting from the increased maximum employer contribution amount with PERSAL.
3. All officials must please be notified of the contents of this circular.
4. National Treasury has been informed that the expenditure resulting from the higher maximum employer contribution will be defrayed from existing departmental budget allocations.

DIRECTOR-GENERAL