



the dpsa

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Public Service and Administration
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TO ALL HEADS OF NATIONAL AND PROVINCIAL DEPARTMENTS AND PROVINCIAL ADMINISTRATIONS

FOR ATTENTION: HEADS OF CORPORATE SERVICES, HR MANAGERS, CHIEF FINANCIAL OFFICERS


IMPLEMENTATION OF THE DETERMINATION ON MEDICAL ASSISTANCE IN THE PUBLIC SERVICE

1. Following negotiations between the State as an employer and the trade union parties to the Public Service Co-ordinating Bargaining Council (PSCBC) over the past months, a collective agreement on Medical Assistance for Public Servants was reached and signed on 20 June 2006. A copy of the agreement is available at www.dpsa.gov.za under PSCBC.
2. The collective agreement took effect on 1 July 2006 and ushered in a new era in medical assistance for the public service. The agreement gives effect to an earlier commitment where parties agreed to restructure the medical benefits of the public service and is linked to the establishment of the Government Employees Medical Scheme (GEMS) that became operational on 1 January 2006. In summary, the agreement seeks to address the following principles:
 - To ensure greater accessibility by providing affordable medical cover to all employees, especially lower-income earners, to take up medical cover;
 - The alignment of the medical subsidy to the new tax structure;
 - The promotion of enrolment of employees to the Government Employees Medical Scheme (GEMS);
 - To ensure cost-effective medical cover for employees on GEMS over the long term; and
 - The efficient administration of the medical subsidy.
3. To give effect to the agreement, the Minister for Public Service and Administration, with effect from 1 July 2006, made in terms of Section 3(3)c of the Public Service Act, 1994, as amended, a determination as set out in the

attached self-explanatory document – “Determination on Medical Assistance in the Public Service”.

4. It should be noted that part III of the annexure to PSCBC Resolution 3 of 1999 dealing with medical assistance to employees in the Public Service, is replaced by Resolution 1 of 2006.
5. Employees who intend becoming members of medical schemes which have an electronic interface with PERSAL/PERSOL, are allowed to submit membership application forms directly to the medical scheme that will interact with PERSAL/PERSOL. PERSAL/PERSOL will arrange for the necessary deductions and payment of the correct subsidy.
6. Employees who intend becoming members of medical schemes who do not have an electronic interface with PERSAL/PERSOL, must arrange through their HR offices for the necessary deduction of medical contributions and the payment of the employer subsidy.
7. Arrangements have been made with both PERSAL and PERSOL on the implementation of the new Medical Assistance policy. It should be noted that during the transition from the old to the new subsidy dispensation, there are cases where subsidies of employees who changed from one medical scheme to another, without a break in membership, had been stopped. In such cases departments need to immediately register an SCC requesting PERSAL to rectify the information and continue paying the subsidy.
8. Human Resource sections responsible for recruitment in their departments are advised to immediately scrutinise their letters of appointment and employment contracts to ensure that it is aligned to the new medical subsidy policy.
9. Departments are also urged to inform employees on salary level 1, 2, 3, 4 and 5 about free medical cover on the Sapphire option of GEMS. These employees need to be assisted in every possible way of becoming members of GEMS.
10. All documentation with regard to the Medical Assistance policy is available on the DPSA website: www.dpsa.gov.za. The names of DPSA individuals to be contacted are also displayed on the website.
11. Other information on enrolment and benefits on GEMS can be obtained through the following:
 - Call centre: 0860 00 4367 between 08h00 and 16h30
 - Fax: 0861 00 4367
 - Website: www.gems.gov.za
 - Emailing enquiries@gems.gov.za
 - Sending an SMS to 083 450 4367 stating your PERSAL/PERSOL number.

12. National Treasury has granted approval in terms of section 5(3) of the Public Service Act, 1994, as amended, for the additional expenditure resulting from the implementation of the revised medical aid subsidy policy. Additional funds have been budgeted by National Treasury but are still unallocated. Departments need to apply for additional funds, if necessary, by means of a motivation to the Treasury Committee. Motivations will be assessed on the scale of impact on each department's baseline wage bill as well as the ability of departments to absorb the impact of the increased expenditure on their overall allocation.
13. Departments are requested to ensure that measures contained in the Determination are adhered to and in an event of difficulties, immediately approach the DPSA for assistance.


FOR **DIRECTOR GENERAL**
DATE: 29 / 9 / 2006