

## Benefits applicable to pensioners

(Any suggestion of a particular gender in this document is deemed to include all other genders. Definitions of certain terms used in the text are provided at the end of the document.)

Reference number of this document	DV0403
HEMIS classification	
Aim	To set out the benefits that apply to SU employees who retire.
Type of document	Guideline
Accessibility	General (external and internal)
Implementation date	1 January 2025
Review date/frequency	As the need for amendments arises.
Previous reviews	1 January 2024
Owner of this policy	Deputy Vice-Chancellor: Social Impact, Transformation and Personnel
Institutional functionary (curator) responsible for this policy	Chief Director: Human Resources
Date of approval	26 November 2024
Approved by	Rectorate (2024) and SU Council (prior to 2007)
Keywords	subsidy, spouse's insurance, group life insurance, medical scheme, funeral cover, tuition fees
<b>The core of the policy</b> Sets out the benefits that apply to Stellenbosch University (SU) employees who retire.	
<b>Reason for amendment</b> Some wording had to be amended to clarify benefits and processes.	

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## 1. Spouse's insurance scheme

The spouse's insurance scheme pays life insurance to a member upon the death of the member's spouse.\* Up until a member's 65th birthday, their spouse's life is insured for twice the member's annual pension-bearing amount.\* Thereafter, the cover amount decreases by 25%. In addition to life insurance, a member's spouse is also covered for disability up to the age of 60.

The underwriter determines the contributions to this scheme and collects monthly payment from members via the employer. Members themselves are responsible for paying the full premium. Payout under the scheme must be made to the member concerned.

*\* Definitions of 'spouse' and 'pension-bearing amount' are provided at the end of this document.*

## 2. Group life insurance

The group life insurance scheme pays life insurance to nominated beneficiaries upon a member's death. The cover equals the multiple of the member's annual pension-bearing amount prior to retirement. Once members turn 65, the life cover decreases by 25%. The insured amount is paid by the insurer to those duly nominated as beneficiaries on a valid beneficiary form. Where no valid beneficiary form is on record, the benefit is paid to the member's late estate.

Members appointed prior to 1 January 2018 receive a subsidy towards their premium for the first multiple of two times the annual pension-bearing amount, and the remainder of the premium in respect of members' full cover will be for their own account.

Employees appointed from 1 January 2018 do not receive any subsidy towards their premium.

Members who retire with the additional group life insurance benefit of two times the annual pension-bearing amount may continue with the benefit after retirement, in which case the full premium shall be payable by the member.

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

The group life insurance scheme does not include any disability cover.

## 3. Medical scheme

### ***General conditions applicable to membership of medical schemes***

- a) No member or dependant\* may hold dual membership of SU's medical scheme as well as another registered medical scheme at any time.

Those registered as dependants at the time of the member's death are offered the opportunity to continue their membership of the medical scheme after the member's passing. From that point onwards, the deceased pensioner's lawful spouse – or if no spouse is involved, the eldest of the deceased's registered dependants – may be regarded as the main member of the medical scheme. If the deceased qualified for a Council contribution, this benefit shall be transferred to the new main member.



If a spouse becomes the new main member in this manner, but later remarries, the Council contribution in relation to the spouse shall cease, although the contribution in relation to other registered dependants shall be retained.

### ***Cancellation of membership***

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

### ***Determining Council contributions to medical premiums after retirement***

- a) Main members who were appointed at SU prior to 1 September 1997, or who were appointed between 1 September 1997 and 31 May 2002 and have completed 20 years' uninterrupted service upon retirement, shall receive a Council contribution in retirement. So, too, will their dependants who qualify for a Council contribution in terms of the participation policy of SU's medical schemes. With regard to any other dependants, the rules of the medical scheme shall determine the period for which a Council contribution is paid.
- b) Main members who were appointed between 1 September 1997 and 31 May 2002, but have completed less than 20 years' uninterrupted service upon retirement, shall receive a Council contribution only for a period corresponding to the number of years' uninterrupted service completed. Contributions in respect of such members and any of their qualifying dependants remain unchanged after the main member has retired, i.e. with no adjustment for premium increases, medical costs inflation, or any other circumstance.
- c) Main members appointed at SU from 1 June 2002 do not qualify for any Council contribution to the medical scheme.  
  
Council contributions in respect of main members who retire from SU before the age of 60 shall decrease by 0,25% for every month of retirement before 60.
- d) The monthly Council contribution payable to pensioners in respect of the medical scheme shall be determined by the specific benchmark that Council has chosen as the basis for calculating the University's maximum contribution. However, this shall be subject to the option under which main members – and their dependants – participate in the medical scheme at the time of retirement.
- e) Should a pensioner member's number of registered dependants decrease, the Council contribution to the medical scheme shall decrease accordingly.
- f) Council contributions to medical premiums after retirement are directly linked to main members and their registered dependants. Should a change in the main member's marital status after retirement increase the number of dependants, the additional dependants may be registered as members of the medical scheme but shall not qualify for any Council contribution.
- g) Children's\* continued membership shall be determined by the rules of the medical scheme.

*\* Definitions of 'dependant' and 'child' are provided at the end of this document.*

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#### 4. Funeral cover

Employees may continue their funeral cover beyond retirement. The benefit comprises payout of:

- a) R40 000 each for the main member and spouse;
- b) R32 500 for children aged 14 to 21 (or up to the age of 25 if full-time student); and
- c) R25 000 for children younger than 14.

Council contributions to this premium occur on the same basis as contributions to the medical aid scheme.

Members who retire with the additional funeral cover benefit may continue with the benefit after retirement, although no new insured lives may be added. The full premium shall be payable by the member.

#### 5. Gap cover plan

Membership of the gap cover plan may be continued beyond retirement. The purpose of this cover is to fund any potential shortfalls where medical schemes do not offer comprehensive cover for hospitalisation.

Council contributions to this premium occur on the same basis as contributions to the medical aid scheme.

#### 6. Exemption from tuition fees

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

See in this regard the [Regulation regarding Exemption from Combined Tuition Fees at Stellenbosch University](#).

#### 7. Collection of premiums

- a) Payment of premiums for continued employee benefits after retirement shall occur via debit order. Arrangements in this regard will be put in place prior to the member's retirement date.
- b) SU strives to be an employer of choice and to be compassionate and caring towards both current employees and pensioners. For this reason, pensioners whose debit orders are rejected shall be afforded three months to agree on a repayment plan to settle any outstanding premiums.

However, should the pensioner ultimately fail to agree on a repayment plan, SU will have no choice but to terminate the benefits and commence normal debt management processes.

#### 8. Returning University property

Retiring staff need to arrange with their specific SU environment regarding the return of any University property, such as keys, uniforms or electronic equipment.

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## Definitions

In this policy, unless the context indicates otherwise, the following terms have the meanings assigned to them below:

### **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, is not self-supporting, and belongs to no other medical scheme, whether under their own membership or as the dependant of another member.

### **Dependant (for purposes of a 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 (whether as a member or as a dependant), is not self-supporting, and is younger than 21;
- a member's unmarried child who is not self-supporting, is younger than 21, a full-time student at an educational institution approved by the medical scheme, and whom the scheme has, upon request, recognised as a dependant; and
- a member's unmarried child who is not self-supporting, is older than 21, and whom the medical scheme has, upon request, recognised as an adult rendered dependent on the grounds of a mental or physical disability or similar reasons, subject to the conditions that the medical scheme may set.

### **Pension-bearing amount**

Usually, the equivalent of 75% of total annual cost of employment, which includes all cash remuneration and contributions to benefit funds but excludes leave and compulsory statutory contributions by the employer.

### **Spouse**

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



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## Supporting documents

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

## Related documents

Item no.	Name of document	Status <i>(e.g. identified, in process or approved)</i>
DV0406	<a href="#">Benefits Policy</a>	Approved

Signature: ..... Date: .....