

**SUREMED HEALTH**  
**CHALLENGER OPTION**

**ANNEXURE A(1)**  
**(With effect from 1 January 2021)**

**1. Definition of income**

"income", shall mean, for the purpose of calculating contributions in respect of  
:

- 1.1** an employee, the employee's gross monthly salary/pensionable earnings;
- 1.2** An individual member, his/her gross average monthly earnings from all sources;
- 1.3** a continuation member in terms of rule 6.2, his/her gross monthly earnings from all sources;

- 1.4** a member who registers a spouse or partner as a dependant in regard to clause 1.2 and 1.3 above, the higher of member or spouse's or partner's gross monthly earnings, from all sources will be used;
- 1.5** a member who fails to provide satisfactory and or updated proof of income to the Scheme, the highest income category applicable in terms of this Annexure will apply.

Gross monthly earnings shall be the average for the previous tax year increased by a percentage equal to the CPIX index published by the department of statistics of the Republic of South Africa in respect of the previous calendar year.

## **2. Basis of contribution payable**

**2.1** The total contribution payable shall be based on the income and the number of dependants of the member as set out in the table below. Contributions in respect of child dependants shall be limited to a maximum of three registered child dependants. No contributions shall be payable in respect of more than three registered child dependants.

### **MEMBER'S CONTRIBUTION WITH EFFECT FROM 1 JANUARY 2021**

<b>Principal Member</b>	<b>Adult Dependant* (See Note 1 below)</b>	<b>Child Dependant* (See Note 2 below)</b>
R	R	R
R5 030	R3 760	R995

\*Note 1: Excluding full-time registered students up to age 25 at a registered tertiary education institution.

\*Note 2: Including full-time registered students up to age 25 at a registered tertiary education institution.

### **3. Time for payment of contributions**

All contributions shall be payable monthly in arrears to the account of the Scheme at such place as stipulated and agreed to by the Scheme. All contributions shall be paid to the Scheme within 3 days of the end of the due month and shall be accompanied by the required membership return form fully detailed in respect of changes to membership and contributions.

The Scheme may require an individual member to provide a bank debit order authority for the purposes of collecting contributions.

### **4. Premium penalties for persons joining late in life**

**4.1** The Scheme may apply premium penalties to a late joiner and such penalties must be applied only to the portion of the contribution related to the member or any adult dependant who qualifies for late joiner penalties.

Late joiner penalties are only applicable to members and adult dependants over the age of 35.

**4.2** The premium penalties referred to in paragraph 4.1 shall not exceed the following bands:

<b>Penalty bands</b>	<b>Maximum Penalty</b>
1-4 years	0.05 x contribution
5-14 years	0.25 x contribution
15-24 years	0.50 x contribution
25+ years	0.75 x contribution

- 4.3** To determine the applicable penalty band to be applied to a late joiner in terms of the first column of the table in paragraph 4.2 the following formula shall be applied:

$$A = B \text{ minus } (35+C)$$

where

“A” means the number of years referred to in the first column of the table in paragraph 4.2 for purposes of determining the appropriate penalty band;

“B” means the age of the late joiner at the time of his or her application for membership or admission as a dependant; and

“C” means the number of years of creditable coverage which can be demonstrated by the late joiner.

- 4.4** Where an applicant or his or her dependant produces evidence of creditable coverage after a late joiner penalty has been imposed, the Scheme must recalculate the penalty and apply such revised penalty from the time such evidence is provided.
- 4.5** Late joiner penalties may continue to be applied upon transfer of the member or adult dependant to other medical schemes.

**6. Waiting periods**

See Annexure D.

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