



# Group Risk: Medical Aid Premium Waiver (MAPW)



Medical aid premiums are some of the most important expenses in an employee's budget. The Medical Aid Premium Waiver (MAPW) insurance effectively relieves some of the financial burden by continuing the disabled employee's medical aid premiums for a selected duration, including the savings element if applicable.

## Advantages to the employee

While receiving a monthly income from the underlying Income Disability insurance or Managed Income Disability insurance, a disabled employee benefits from the Medical Aid Premium Waiver insurance (MAPW) through:

- ⌚ More cash that is available for the claimant (for a specified duration), provided the employee is the principal member of a medical aid scheme;
- ⌚ The principal member's spouse and all eligible children are covered; and
- ⌚ No medical evidence is required.

The benefit also allows for increases in beginning of the year and at the same rate applicable to the relevant medical aid's practice, subject to a maximum of 20% per annum (and the annual benefit maximums applicable).

The benefit is paid directly to the employer, who will be:

- ⌚ responsible for all the claimant's PAYE deductions;
- ⌚ issuing an IRP5 tax certificate reflecting this benefit and deduction codes, and
- ⌚ paying the premium to the relevant medical aid scheme (all registered Medical Aids are covered).





## About the benefit

The MAPW is a supplementary benefit to the following insurance:

- ⤷ Income Disability insurance; or
- ⤷ Managed Income Disability insurance.

This means, in addition to the monthly disability payment, the MAPW assists in continuing the monthly medical aid premiums (including the savings element, if applicable) from the end of the waiting period that applies to the underlying disability insurance, should the disabled employee have been a principal member of a medical aid scheme, up to the maximum payment period.

The MAPW benefit is selected for the scheme as a whole. This supplementary benefit is provided for by way of an unapproved policy and the pricing for this is based on the assumption that all employees pay for this benefit, whether or not they belong to a medical aid.

### Maximum monthly benefit (pm):

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|---|-----------|
| ⤷ Principal member of medical aid scheme:             | R4 600 pm |
| ⤷ His/her spouse:                                     | R3 800 pm |
| ⤷ His/her children (i.e. excluding adult dependants): | R2 100 pm |

*Please note:* The Medical aid premium waiver will not cover the premiums for adult dependants.

### Maximum payment period:

The payment period will be equal to the applicable initial period less the waiting period (depending on the “regular occupation” period in the Income Disability insurance or Managed Income Disability insurance policy), i.e. 12 or 24 months less the waiting period. Payments cease at the end of the initial period.

This means that, for an employee who qualifies for a monthly disability instalment, medical aid premiums are continued,

- ⤷ from the end of the waiting period;
- ⤷ for the remainder of the initial period (i.e. 12 or 24 months).

### Termination of cover:

Cover/benefits will cease on the earlier of:

- ⤷ the end of the duration of the payment period (i.e. 12 or 24 months less the waiting period);
- ⤷ the principal member attaining normal retirement age (NRA), or the age of 65 years,
- ⤷ the termination of the principal member’s membership with the applicable medical aid,
- ⤷ the member leaving the employer’s service, or
- ⤷ the cancellation/dissolutions of the underlying disability income insurance schemes.



Should there be any discrepancies between this document and the employer policy, the policy’s terms and conditions will prevail.

For more information, please contact your consultant or visit our website at:

[www.sanlam.co.za](http://www.sanlam.co.za)