



# Medical Aid Premium Waiver

Medical aid premiums are some of the most important expenses in an employee's budget. The Medical Aid Premium Waiver-supplementary benefit effectively relieves some of the financial burden by funding the disabled employee's medical aid premiums for a selected duration, including the savings element if applicable, subject to the applicable waiting period and certain benefit maximums.

## Advantages to the employee

Although a 75% disability income scheme provides a sound benefit, it nevertheless could cause financial strain for the incapacitated employee, due to a reduction in income the employee earned before disability.

An incapacitated employee benefits from the Medical Aid Premium Waiver- benefit 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 the same month and at the same rate, in line with the relevant medical aid's practice, subject to a maximum of 20% per annum (and the benefit maximums specified below).

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).



This brochure provides a general summary of the products Sanlam offers. Terms and conditions are set out in full in the policy contract. If there is a discrepancy between the brochures and the provisions of the Policy, the Policy Provisions will apply.

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## Supplementary Benefit

This supplementary benefit is available as a rider to both Income Disability Insurance and Managed Income Disability Insurance schemes.

It will continue the monthly medical aid premiums (including the savings element, if applicable) from the end of the waiting period that applies to the underlying disability income insurance, in respect of a disabled employee who was the principal member of a medical aid scheme and is now receiving a monthly disability benefit from either the Income Disability, or Managed Income Disability insurance policy.

### Maximum payment period:

The payment period will be equal to the duration selected, less the waiting period applicable to the underlying Income Disability or Managed Income Disability insurance.

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

- ⊙ from the end of the waiting period;
- ⊙ for the remainder of the payment period (i.e. 12 or 24 months less the waiting period).

### Maximum monthly benefit (pm):

- ⊙ principal member of medical aid scheme: R3 800 pm
- ⊙ his/her spouse R3 100 pm
- ⊙ his/her children (i.e. excluding adult dependents) R1 700 pm

### 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 to the applicable medical aid,
- ⊙ the member leaving the employer's service, or
- ⊙ the cancellation/dissolutions of the underlying disability income insurance schemes.