



HUMAN CAPITAL **EMPLOYEE BENEFITS**



CSIR

Touching lives through innovation



EMPLOYEE BENEFITS

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EMPLOYEE BENEFITS

1. INTRODUCTION

The purpose of this booklet is to provide information on the employee benefits offered by the CSIR.

Disclaimer: The content is for information purposes and is subject to changes in CSIR Conditions of Service, related policies or legislation.

2. OVERVIEW OF INSURED RISK BENEFITS

2.1 Overview

A permanent employee is a member of employer-owned group scheme policies. The benefit of group scheme policies is that no pre-approval requirements for medical proof of good health apply to individuals. (Terms and conditions of insurance policies will, however, apply).

The monthly premiums paid are subject to fringe benefits tax. However, benefit claim payouts are tax-free.

The following insured risk benefits in the group schemes are compulsory and will be covered in more detail:

- Life cover;
- Spouse's life cover;
- Severe illness cover;
- Income protection/disability cover; and
- Funeral cover.

Risk salary and calculation of premiums

Cover and premiums for insured risk benefits are based on the employee's elected annual risk salary. A new employee's risk salary is defaulted to 70% of the total guaranteed salary package. The maximum percentage risk salary is 80% of the total guaranteed salary package. A new employee has three (3) months from the date of appointment to increase or decrease the defaulted risk salary percentage.

2.2 Unpaid leave and sabbaticals

If an employee is on sabbatical or unpaid leave for a period between 6 and 24 months, the employee will have cover subject to up-to-date payment of premiums and notification to the insurer. The line manager or employee should inform the human capital practitioner of the sabbatical or unpaid leave to notify the insurer and arrange for the monthly insured benefit premiums to be paid over.

3. LIFE COVER

3.1 Life cover for employees

The purpose of the life cover is to provide insurance in the event of the death of the employee. The benefit is paid to the beneficiaries listed on the nomination form, which is completed by the employee. The cover is calculated as one (1) x the employee's annual risk salary.

3.2 Life cover for spouse

The life cover includes spouse's cover. In the event of the death of a spouse of the employee, a benefit calculated as 50% of the annual risk salary of the employee is payable.

Note that an employee needs to register their spouse on the HR system (PeopleSoft) to be eligible for this life cover.

3.3 Life events

Should a life event occur, such as a marriage, divorce, death of a spouse, birth, adoption or death of a child, the employee should remember to update the beneficiary nomination form as well as employee information on PeopleSoft.

4. SEVERE ILLNESS COVER

This cover provides financial support to an employee in the event of severe illness to ease the burden of costs related to specialised therapy or treatments that may not be fully covered by the employee's medical scheme.

Examples of severe illness include, but are not limited to, cancer, heart attack, heart surgery, kidney failure, major organ transport, paralysis, stroke and blindness.

In the event of an employee being diagnosed with severe illness, an employee may be eligible for a cash lump sum payment to a maximum of one (1) x the annual risk salary. The payment is based on the severity of the illness and is tier driven.

The severe illness cover is subject to the terms and conditions of the insurance policy. The benefits should be claimed within six (6) months of the date of diagnosis. The insurer will assess each case to determine if the employee is eligible for the severe illness benefit.

5. INCOME PROTECTION/DISABILITY COVER

The income protection or disability product provides cover for the following events:

- Rehabilitation;
- Temporary/partial disability; or
- Total disability.

5.1 Rehabilitation

An employee may be eligible for limited rehabilitation sessions such as occupational therapy, physiotherapy, speech therapy and psychotherapy, subject to approval by the insurer if on sick leave for more than fourteen (14) business days in three consecutive months, the medical aid is depleted, and rehabilitation is recommended by a medical professional.

5.2 Temporary/Partial Disability

Disability may be temporary or partial. Temporary means the employee is unable to work for a period of time. Partial means the employee may work but be on light duty and/or for fewer hours if the employee's remuneration is reduced in accordance with the reduced hours or activity.

If the insurer approves temporary or partial disability, the monthly disability income will be calculated based on the employee's risk salary as at last day active at work and the working hours not compensated for by the CSIR.

5.3 Total Disability

A monthly disability income is paid when an employee is no longer able to work due to an accident or serious illness. This benefit aims to ease the financial burden caused by the employee's inability to work and earn an income. The employee is deemed to be disabled if they cannot perform their own job and/or cannot perform a similar job for which they qualify by virtue of training or experience.

If the insurer approves a total disability, the monthly disability income will be calculated on the employee's risk salary as at their last day of active at work.

5.4 General

5.4.1 Waiting period

After a waiting period of three (3) months from the last day of active work, a monthly disability benefit becomes payable. To be eligible for the benefit, a claim must be submitted within six months of the last date of active work. A claim is subject to assessment and approval by the insurer.

5.4.2 Calculation of monthly disability income

The monthly disability benefit is payable as a monthly income and is calculated at 75% of the employee's selected risk salary.

For example

Total Guaranteed Salary Package:	R20 000 per month
Risk salary selected at 70%:	R14 000 per month
Disability income at 75%:	R10 500 per month (tax-free)

The payment of the monthly disability income ceases when the employee recovers or reaches retirement age or in case of death. The employee may be required to undergo medical examinations at regular intervals to establish whether or not they are still eligible to receive the benefit.

5.4.3 CSIR Pension Fund (Fund) contribution during the period of disability

The employee will remain an active member of the Fund. On behalf of the employee, the insurer will contribute 7.5% of the member's monthly guaranteed salary package as at date of disability to the Fund. The employee is responsible for at least 2.5% pension fund contribution as at date of disability.

6. INSURED RISK BENEFIT STATEMENTS

Benefit statements for your group insurance risk benefits are available through the Sanlam portal.

7. FUNERAL COVER

This group scheme policy provides financial assistance to the family for funeral-related costs. The benefit payable is tax-free, as the premiums are subject to fringe benefit tax. A claim is usually paid within 48 business hours after all the required documentation is received.

Funeral cover benefit (applies to immediate family only)

Family member	Funeral cover amount
Member	R 40 000
Qualifying spouse or life partner	R 40 000
Child from 14 to 21 years	R 40 000
Child from 6 to under 14 years	R 20 000
Child from 1 year to under 6 years	R 10 000
Child under the age of 1 year	R 5 000
Stillborn Child (as per policy provisions)	R 5 000

If an employee is a resident in a foreign country for a period of not more than 6 months, the employee will have funeral cover, subject to up-to-date premium payments.

Note that employees need to register a life partner on the HR system (PeopleSoft) to be eligible to claim the life partner cover (policy terms and conditions apply).

In case of the death of the employee, the funeral benefit is paid strictly according to the last valid beneficiary nomination form. As a result, it is important that the beneficiary nomination form be completed correctly and kept up to date. If no valid beneficiary nomination form is available, the claim will be paid directly into the estate account of the deceased employee.

8. MEDICAL SCHEME

8.1 Preferred medical schemes

The CSIR's preferred medical schemes are BestMed, Discovery Health and FedHealth (Savvy). Employees have the option to choose between these schemes.

8.2 Membership

Medical scheme membership is compulsory as stipulated in the employment contract. Should an employee belong to another medical scheme or is a dependant on a spouse's scheme, proof of membership should be provided.

8.3 Waiting periods, exclusions and late joiner penalties

Bestmed, Discovery Health and FedHealth (Savvy) offer new employees a benefit that includes no waiting periods, exclusions or late joiner penalties, provided that they join one of the schemes within the first three (3) months of commencing employment with the CSIR. This benefit will also apply to the employee's immediate family.

9. MEDICAL GAP COVER

Gap cover is an insurance product that is designed to cover the shortfalls in medical schemes' claims payouts. CSIR employees benefit from a special rate negotiated for the group scheme. The gap cover provider is Netcare Plus.

10. MEDICAL BROKER

iMbewu Financial Services is the CSIR's appointed health care consultants, who will assist and guide an employee in selecting the most appropriate medical scheme plan option and gap cover to suite his/her individual needs.

There is no additional fee for the services offered by iMbewu, as the regulated advisory fee is included in the monthly medical scheme contributions.

11. OPTIONS AVAILABLE ON TERMINATION OF SERVICE

11.1 Conversion Option

On termination of service due to resignation or retirement, employees may exercise a conversion option of the life and severe illness insurance policies into their private capacity.

The maximum cover will be one (1) x the employee's annual risk salary at the time of leaving the CSIR. The conversion option benefits an employee (non-smoker) by not requiring a medical clearance. The elected cover(s) will be converted to an individual policy, and individual premium(s) will apply.

11.2 Continuation Option

Employees receiving a monthly disability income have continuation options with respect to the following benefits:

- CSIR Pension Fund membership;
- Life cover;
- Severe illness cover; and
- Funeral cover (where applicable).

The above contributions/premiums will be deducted by the insurer from the monthly disability income until retirement age, recovery or death.

11.3 Medical Scheme or Gap cover continuation option(s)

Medical scheme or gap cover premiums will be deducted directly from an ex-employee's banking account on termination of service and if they wish to continue with the different membership(s) in their private capacity.

12. TAX INFORMATION

12.1 Tax on claim payments

Risk insurance premiums are taxed monthly as fringe benefits. The claim amounts are, therefore, not taxed on payment.

12.2 Tax credit on medical scheme contributions

A medical scheme member receives a tax credit on the premiums for the principal member and his/her dependant(s). An employee who is a member of one of the preferred CSIR medical schemes will benefit from a monthly tax credit. An employee on other medical schemes needs to claim the tax benefit during the annual tax returns.

13. BANKING SOLUTIONS

ABSA, FNB and Standard Bank offer CSIR employees preferential solutions and rates.

14. SUMMARY OF CSIR INSURED BENEFITS



Summary of Employee Benefits

Scheme	Comment	Benefit (Basic)	Benefit Taxable?	Medical Free Cover Limit
*Income Protection – Monthly Disability income (3-month waiting period) (code 302 per pay slip)	<ul style="list-style-type: none"> Permanently incapacitated to work. Temporarily incapacitated to work. Partially incapacitated to <u>work</u> Applicable until age 65. 	Based on 75% of monthly risk salary as at date of disability	No	Medical Free Cover limits apply to all benefits. Insurer may request employee to go for a medical if benefit is above medical free cover limit.
*Group Life insurance (code 349 per pay slip)	<ul style="list-style-type: none"> **Life cover insurance. Applicable until age 65. Conversion option on withdrawal from CSIR. 	1 x annual risk salary	No	
	<ul style="list-style-type: none"> *** Life cover insurance – Spouse. Applicable until spouse's <u>age</u> 70. 	0.5 x annual risk salary	No	
*CSIR Funeral Scheme (code 540 per pay slip)	<ul style="list-style-type: none"> Severe illness benefit - based on severity of illness. Applicable until age 65. Conversion option on withdrawal from CSIR. 	1 x annual risk salary (maximum)	No	
	<ul style="list-style-type: none"> **Benefit/s for employee, spouse, and financially dependent children under the age of 21. Policy conditions apply. Applicable until age 65 Continuation option available. 	Funeral Benefit	No	

15. CONTACT DETAILS

Contact details for enquiries or more information:

- Employee Benefits at csireirb@csir.co.za
- Human Capital (e-HR) at e-hr@csir.co.za or hc@csir.co.za
- Medical Broker at csir@imbewufs.co.za
- Insured risk-benefit statements at [Login \(www.sanlam.co.za\)](http://www.sanlam.co.za)
- CSIR intraweb on [CSIR intraweb](#)
- Banking Solutions on [CSIR intraweb](#)

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