

**BP MEDICAL AID SOCIETY
CONTRIBUTIONS AND LATE JOINER PENALTIES**

1. PREAMBLE

The Society provides cover to the Employees and retirees of the Employer, and to their registered Dependants. The total monthly contributions payable by or in respect of a Member in accordance with the provisions of Rule 13. shall be as indicated in this Annexure identified as Annexure A.

2. CONTRIBUTIONS FOR THE PERIOD 1 APRIL 2009 TO 31 MARCH 2010

INCOME BANDS	MEMBER RATE	ADULT RATE	CHILD RATE
0-770	184	129	42
771-1900	569	401	146
1901-2020	792	566	201
2021-2550	905	640	229
2551-3130	1,054	731	259
3131-4730	1,125	767	273
4731-6170	1,209	831	298
6171-7760	1,302	911	319
7761-9410	1,383	973	343
9411-12 440	1,470	1,045	356
12 441-18770	1,536	1,087	380
18771-26600	1,594	1,125	394
26601-32710	1,650	1,164	410
32711-39040	1,704	1,198	427
39041+	1,762	1,239	445

3. CONTRIBUTIONS FOR THE PERIOD 1 APRIL 2010 TO 31 MARCH 2011

INCOME BANDS	MEMBER RATE	ADULT RATE	CHILD RATE
0 - 820	212	149	49
821 - 2 020	655	462	168
2 021 - 2 150	911	651	232
2 151 - 2 710	1,041	736	264
2 711 - 3 330	1,213	841	298
3 331 - 5 030	1,294	883	314
5 031 - 6 560	1,391	956	343
6 561 - 8 250	1,498	1,048	367
8 251 - 10 000	1,591	1,119	395
10 001 - 13 220	1,691	1,202	410
13 221 - 19 950	1,767	1,251	437
19 951 - 28 280	1,834	1,294	454
28 281 - 34 770	1,898	1,339	472
34 771 - 41 500	1,960	1,378	492
41 501+	2,027	1,425	512

- 3.1 The adult rate applies to the Spouse(s) and Partner(s) of a Member; and any other Dependant(s) of the Member aged 27 years and older other than a Dependant suffering from a mental or physical disability.
- 3.2 The child rate applies to a brother(s) or sister(s) of the Member; grandchildren of the Member and any other Dependant(s) of the Member under age 27 years; including a Dependant suffering from a permanent mental or physical disability.
- 3.3 Contribution rates for child dependants are only levied on the first three children.
- 3.4 The above contribution table reflects the total contributions payable to the Scheme by and/or in respect of Members.

4. LATE JOINER PENALTIES (Contribution penalties for persons joining late in life)

4.1 A late joiner is a new Member or a Dependant who is 35 years of age or older when he/she joins the Scheme and who has not enjoyed creditable coverage after the age of 35 years as provided for in Rule 4.19. However, the following people will not be regarded as late joiners:

4.1.1 if a person enjoyed coverage with one or more medical schemes before 1 April 2001 without a break in cover of more than three consecutive months since 1 April 2001, or

4.1.2 if the effective date of commencement of an Employee's membership of the Scheme coincides with the date of commencement of employment with the Employer. This exemption will also apply to the Spouse, Partner and/or Child of the Member, provided that the effective date of the commencement of the Dependant's membership of the Scheme coincides with the date of the Member's commencement of employment or the date on which the Dependant first becomes eligible to join the Scheme, whichever is the later date.

4.2 Premium penalties in addition to the contributions detailed in this Annexure A may be applied in respect of late joiners as determined by the Board. Such penalties shall be applied only to that portion of the contribution relative to the late joiner and shall not exceed the following bands:

Penalty Bands	Maximum Penalty
1 – 4 years	0.05 x contribution
5 – 14 years	0.25 x contribution
15 – 24 years	0.5 x contribution
25 + years	0.75 x contribution

The following formula shall be applied to determine the applicable penalty band:

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

Where:

A = number of years to determine appropriate penalty band

B = age of the late joiner at time of application

C = number of years of creditable coverage which can be demonstrated

- 4.3 Should a late joiner penalty already have been imposed and evidence of creditable coverage is produced thereafter, the penalty shall be recalculated and such revised penalty shall be applied from the time that such evidence was produced.
- 4.4 If a Member or Dependant is unable to obtain documentary proof of substantiate periods of creditable coverage, he shall be entitled to produce a sworn affidavit declaring such detailed information and that reasonable efforts to obtain documentary evidence of such periods of creditable coverage were unsuccessful.