

ALLIANCE-MIDMED MEDICAL SCHEME

ANNEXURE A

APPENDIX 1

(With effect from 1 January 2019)

PERSONAL MEDICAL SAVINGS ACCOUNT

1. Funding of members' PMSA

1.1 On the 1st January of each year or on admission to the Scheme, a personal medical savings account (PMSA), held for members, into which contributions are allocated by the Scheme in respect of the PMSA, shall be established and shall be equal to 5% (five percent) of the members' total gross contribution. These funds shall be invested in regulated investment instruments.

1.2 The PMSA value calculated for a period of twelve months (PMSA allowance) shall be available to members from 1 January of each year and shall be deemed to be an advance by the Scheme to the member, pro-rated in respect of a member who joins the Scheme during the year.

2. Charging of benefits

2.1 The PMSA may only be used to pay for medical related expenses, in accordance with Rule 4.

2.2 The PMSA of each member shall be debited with all claims referred to in Rule 2.1.

3. Accumulated balances

- 3.1** Funds allocated to the members' PMSA shall be available for the exclusive benefit of the member and his dependants. The amount credited to the member's PMSA during a financial year less the claims debited to the PMSA during that financial year in accordance with Rule 2.1 accumulates in the member's name (accumulated balance).

4. Utilisation of balance in the PMSA

- 4.1** Whilst remaining a member the balance standing to the credit of a member's PMSA may be used for the following purposes:

4.1.1 to pay for the benefits as specified under the PMSA column in the Table of Benefits in Annexure B;

4.1.2 to pay for benefits in excess of limits and members portions/debt;

4.1.3 on application to pay for medical expenses for which the Scheme may not be liable;

4.2 Whilst remaining a member of the Scheme, the funds in the member's PMSA may not be used to pay for the costs of a prescribed minimum benefit or to off-set contributions.

5. Membership termination

- 5.1** Upon the death of the member the accumulated balance due to the member will be transferred to his dependants who continue as members of the Scheme or paid into his estate in the absence of such dependants, within five months after such transfer and subject to applicable laws.

- 5.2** Should a member terminate membership of the Scheme and not be admitted as a member of another medical scheme or be admitted to membership of another medical scheme which does not provide for a PMSA, the accumulated balance due to the member must be refunded to the member within five months after termination of membership, and subject to applicable laws.
- 5.3** Should a member be admitted to membership of another medical scheme which provides for a similar account, the accumulated balance due to the member must be transferred to such scheme within five months after termination of membership.
- 5.4** On termination of membership, funds in the member's PMSA may be used to off-set any debt owed by the member including outstanding contributions.
- 5.5** The Scheme shall, in January of every year, submit a notice for publication in the Government Gazette detailing the amounts held in the PMSA, which amounts remain unclaimed for a period of five years or more as at 31 December of the previous year.
- 5.6** If, and upon reasonable efforts by the Scheme to locate erstwhile members, the Scheme has not been successful three months after the publication of the notice as mentioned in Rule 5.5 above, the Scheme shall, after five years, pay such funds into the Scheme's reserves.