

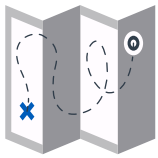
Travel or emigration: what it means for members of a medical scheme



Whether you are considering working and living abroad or maybe even emigrating, having the correct information is crucial, including what the impact of such a step would have on your medical scheme cover.

Some schemes may allow you to remain a member while travelling or working in another country, while there is a possibility that your membership can be put on hold or cancelled by others.

The differences between overseas travel and emigration



Leisure/business

While travelling overseas, you can be covered for emergencies through the travel insurance benefit that may form part of your medical scheme.

However, the cover is usually limited to a number of days. This is generally 90 days, but may differ depending on the scheme. It is important to know that cover will not continue should you move permanently.



Emigration

When emigrating, you will not be able to use your medical scheme in another country because cover for medical treatment is limited within the borders of South Africa and the scheme rules only recognise treatment provided by providers registered in South Africa. Members have the option to move to the lowest plan with the option to upgrade to any plan on some schemes, but you must do so within three months of returning to South Africa, however this does not apply to all medical schemes.

The impact of the Medical Schemes Act on travel or emigration

The Medical Schemes Act regulates medical schemes in South Africa, and while it doesn't stretch outside the country's borders, it does allow for schemes to impose late joiner penalties and underwriting when you return.

Late joiner penalties are imposed based on the number of years that an applicant has not been a member of a South African medical scheme, and ranges from 5% to 75% of the medical aid premium.

This protects the other members of the scheme, who have been contributing toward the reserves of their scheme over a long period of time, from new members wanting to claim.

The time that you have been a member/policyholder of a foreign medical scheme or insurance policy will not count towards the number of years you have been a member of a medical scheme, so this may result in (or increase the extent of) late joiner penalties.

Some, but not all medical schemes do make provision for expatriates returning to South Africa and may not apply late joiner penalties for the period spent overseas, subject to specific terms and conditions.

If you intend to move overseas for an extended period, or if you intend to return to South Africa after an extended period, you should familiarise yourself with your current or prospective medical scheme policies regarding late joiner penalties and scheme rules.

