



UNIVERSITY OF VENDA

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# POLICY ON RISK BENEFITS

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### TITLE AND COPYRIGHT

Title	Policy on Risk Benefits
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## **1. DEFINITIONS AND APPLICATION**

The University of Venda has established a Group Life Assurance scheme which provides income disability, death, and funeral cover for members of staff who die or become disabled before they reach retirement age as well as funeral cover in respect of spouses and dependant children under the age of 21 or 26 if they are full time student at a recognized institution and unmarried. This policy therefore provides guidelines for administering the Group Life Scheme to members of staff appointed on permanent and fixed term contract. The institution reserves the right to, at any time, in its sole discretion, revise and amend this policy from time to time.

### **1.1 DEFINITIONS**

- 1.1.1 “Member Cover” means a risk benefit payable in the event of death of a member subject to the terms and conditions of the policies by the Insurer and the University policy.
- 1.1.2 “Spouse Cover” means a risk benefit paid in the event of the death of a member’s spouse(s) in terms of the insurance policy.
- 1.1.3 “Disability Cover” means an income benefit payable on disability claims recognised by the Insurer where:
  - 1.1.3.1 for the twenty four months from the date of disablement, the member is unable to perform his/her own occupation (meaning the occupation in which the employee was employed at the date of disablement).
  - 1.1.3.2 after twenty four months from the date of disablement, the member is unable to perform his/her own or an alternative occupation (meaning an occupation for which in the opinion of the Insurer the employee is or could reasonably be expected to become qualified or suited taking into account his/her degree of disability, knowledge, training, education, ability and experience).
- 1.1.4 “Funeral Cover” means a risk benefit payable in the event of the death of a member, spouse, and dependent children under the age of 21 or 26 if they are full time students at a recognized institution.

### **1.2 APPLICATION**

This policy shall apply to all employees appointed on permanent and fixed term contract.

## **2. PURPOSE**

The purpose of this policy is to provide guidelines to administer the payment of risk benefits namely, death, disability and funeral cover to members and their dependants.

**3. POLICY STATEMENT**

The University of Venda is committed to providing its employees with funeral cover and death benefits to alleviate the financial burden experienced by the bereaved family as a result of the death of a member, spouse or dependent children.

**4. POLICY GUIDELINES**

- 4.1 Upon the death of a member, the next of kin of the deceased member of staff must submit proof of death to the Director Human Resources for submission of claim to the Insurer.
- 4.2 Membership of the Group Life Assurance and Funeral Benefit Schemes is compulsory for all permanent employees and employees appointed on fixed term contract, excluding employees appointed on donor funded projects and part time staff.
- 4.3 The employer subsidizes 50% of the risk premiums towards Group Life, spouses, disability and funeral benefits. These premiums may fluctuate from time to time on the advice of Insurer.
- 4.4 An advance not exceeding R50 000 may be granted to beneficiaries, namely, spouse(s), children and other persons who are next of kin towards funeral arrangements. This advance is only payable provided a written confirmation is received confirming that the advance may be deducted from Group Life or spouse benefit payable from the risk scheme.
- 4.5 A dependant or surviving spouse who has been given advance for funeral arrangements must sign an acknowledgement of debt undertaking that the advance payment made will be recovered from the Group Life benefit payments.

**5. BENEFIT OVERVIEW**

The following benefits are payable in consequence of the death or disability of the member and on the death of a dependant:

Death of a member 5 x Annual Salary	Family Funeral Benefit On the death of: <ul style="list-style-type: none"> <li>- Member/Spouse/Child between ages 14 and 21 years R10 000</li> <li>- Child between ages 6 and 13 years R5 000</li> </ul>
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	<ul style="list-style-type: none"> <li>- Child between ages 1 and 5 years R3 000</li> <li>- Child 0-11 months or Stillborn child R1 250</li> </ul>
<p>Monthly income disability benefit payable after a 6 month waiting period The Disability benefits are calculated according to a sliding scale as follows.</p> <p>In the first 18 months of payment, the benefit payable is: 100% of the 1<sup>st</sup> R12 000 of salary + 50% of the next R12 000 of salary, (subject to an overall maximum gross benefit of R15 000 per month) if the member is unable to pursue his/her OWN occupation.</p> <p>After 18 months of payment, the benefit reduces as follows and is payable if the member is unable to pursue his/her own or an ALTERNATIVE occupation: 75% of the 1<sup>st</sup> R12 000 salary+ 50% of the next R12 000 salary, (subject to an overall maximum gross benefit of R15 000 per month).</p> <p>The benefit is based on the salary at the date of disability. No further increases are taken into account and no benefit will be paid if a member attains Normal Retirement Age (65) before the end of the waiting period.</p>	

**6. GROUP LIFE ASSURANCE AND FUNERAL BENEFIT CONTRIBUTION PAYMENTS**

- 6.1 The University shall pay full contributions towards the Group Life Assurance benefits in respect of members of staff who are on approved temporary absence with reduced or no pay due to study/research purposes, sick or maternity leave. These contributions will be paid provided the staff member concerned has made an undertaking in writing that the University will recover the employee's share of the contributions paid by the University during the period of temporary absence, when the employee resumes duty. It is the member of staff's responsibility to ensure that the undertaking is signed, failing which, no premiums will be paid and the member of staff will not be covered for any risk benefits for the duration of temporary absence.
- 6.2 The contributions during approved temporary absence will also be extended to employees whose application for a monthly disability income benefit has been submitted with a decision being awaited from the Insurer and where the member

of staff is on reduced pay or no pay. Such contributions would be paid with the proviso that the University shall recover the employee's share of the contributions paid by the University during the period of temporary absence, directly from the employee upon termination of service with the University due to disability.

- 6.3 The risk cover is extended and compulsory for successful disability claimants, who remain covered for the lump sum death and spouses benefits. However, disability claimants are fully responsible for the payment of the total risk contributions, which is deducted directly from their disability benefit. Disability claimants are covered for family funeral benefits without having to pay any further premiums, provided that the required documentation is timeously submitted to the Insurer.
- 6.4 Group Life Cover is provided to members of staff up to the end of the year in which they attain the age of 65.

## **7. RELATED POLICIES AND DOCUMENTATIONS**

- 7.1 Leave Policy  
7.2 Retirement Policy

## **8. REGULATORY FRAMEWORK**

- 8.1 Long Term Insurance Act  
8.2 Pensions Fund Act

## **9. REVIEW DATE**

The policy will be reviewed after three years or as and when circumstances arise.

**10. RECORD OF CHANGES**

DATE OF APPROVAL BY COUNCIL	AUTHOR(S)	DATE OF REVIEW
27 November 2009	Mr T J Manenzhe	27 November 2012
<div data-bbox="225 443 472 629" style="border: 1px solid black; padding: 5px; width: fit-content;"> <p>UNIVERSITY OF VENDA UNIVERSITY REGISTRAR 01 DEC 2009 PRIVATE BAG X5050, THOHOYANDOU, 0950</p> </div> <p data-bbox="188 936 769 1010">Date stamp and signature by the Secretary of Council</p> 		

**11. LIST OF ABBREVIATIONS AND ACRONYMS**

HR.....Human Resources  
 WWW.....World Wide Web  
 UNIVEN.....University of Venda



01 December 2009

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 Vice Chancellor & Principal

\_\_\_\_\_  
 Date



