



Administrator: Medscheme Holdings (Pty) Ltd
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25 August 2021

Dear Member

Notice of Termination of participation in MBMed Medical Aid Fund by the Daimler Group of Companies in South Africa

The Daimler Group of Companies in South Africa (Mercedes-Benz South Africa Ltd, Mercedes-Benz Financial Services South Africa (Pty) Ltd and Daimler Trucks and Buses Southern Africa (Pty) Ltd) have taken a decision to discontinue participation in and contributions to the MBMed Medical Aid Fund (MBMed - the Fund) with effect 1 January 2022.

The Companies have advised that the decision to terminate sponsorship of MBMed is the consequence of the agreement at the National Bargaining Forum (NBF) by the Automobile Manufacturers Employers Organisation (AMEO) and the National Union of Metalworkers of South Africa (NUMSA) to establish a uniform medical aid benefit solution across the automotive manufacturing sector in partnership with Sizwe Medical Fund. Under this agreement, all employees in the bargaining unit (all hourly-paid employees) will, as a condition of service, effective 1 January 2022, join Sizwe Medical Fund.

This means that almost 2 500 members will leave MBMed.

The assessment of the Companies, and indeed the Board of Management of the Fund, is that, with the proposed move of more than 50% of MBMed membership to Sizwe, MBMed will no longer be able to offer a sustainable medical aid benefit option for the Companies' monthly-paid employees and pensioners. The situation is compounded by the exit from MBMed of more than 200 Daimler Trucks and Buses Southern Africa monthly-paid employees and pensioners at the same time under *Project Focus* (Click here for more information: [Project Focus | Daimler](#)).

Effective 1 January 2022 employees will, as a condition of service, participate in either **Sizwe Medical Fund** or **Discovery Health Medical Scheme**, subject to collective agreements in place for hourly-paid employees, or individual agreements reached with employees not covered by a collective agreement.

In addition, pensioners who qualify for a post-retirement subsidy from the Companies, will similarly need to join either Sizwe Medical Fund or Discovery Health Medical Scheme in order to continue receiving a medical aid subsidy.

The Companies have confirmed to the Fund that its medical aid scheme subsidy regulation will remain in place under the new medical aid arrangements with qualifying pensioners receiving a 60% subsidy and employees receiving either a 60% or a 50% subsidy according to income level.

In its letter of notice, the Group of Companies conveyed its gratitude and its respect to MBMed for the more than 50 years of service excellence to successive generations of its employees and their families – many well into retirement.

The Companies have set up dedicated email addresses to which employees and pensioners can send any specific questions.

The email address is mbsa.socialbenefits@daimler.com.

Principal Officer: Dr C Panter

Board of Management: T Jacobs (Chairperson) | L van Wyk (Vice-Chairperson) | T Bevu | G Beaumont | N Rubushe | T Lakaje | T Shumba | D van der Bank | R Boy (Alternate)



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What happens next?

From September 2021, the Companies have advised that they will provide a range of communication and consultation channels and opportunities for employees and pensioner members of MBMed to fully understand the reasons for this decision; to properly understand what their options are; and to have any of their questions answered.

In addition **3Sixty Health** (administrator to Sizwe) and **Marsh** (an independent intermediary) will also provide information and plan advice on available options in Sizwe Medical Fund or Discovery Health Medical Scheme respectively.

Marsh will also offer dedicated information sessions and plan advice sessions in October 2021 to pensioner members of MBMed in Gauteng, Durban, George, Cape Town and East London; and via on-line platforms.

It is important to note that each member must decide what option they will choose in either Sizwe Medical Fund (compulsory for hourly-paid employees) or Discovery Health Medical Scheme by **30 November 2021**.

What will happen to MBMed Medical Aid Fund?

In terms of the Rules of the Fund, there are three options available to MBMed and its members – only the first two of which are viable options. The options are:

1. Liquidation of the scheme and distribution of the balance of accumulated reserves (if any) after payment of all creditors and accounting for the necessary provisions;
2. Amalgamation with another medical aid scheme (either Sizwe or Discovery);
3. Continued operation without Company subsidisation – i.e. members pay contributions in full.

The Scheme Rules require the Board to ballot its members on the options of either liquidation, amalgamation or continuation. Further communication on the balloting process will be issued in due course.

In the interim, the Board will meet with the Council for Medical Schemes on the 3 September 2021 to discuss the future of MBMed and, ideally, to agree on the best way forward for members.

What about the balance of 2021?

For the balance of 2021, it is business as usual. MBMed is committed to continuing to ensure the funding of quality, essential health care and to providing smooth, timeous and efficient administration and managed health care services.

The Fund will provide ongoing communication to support members over this challenging transition.

The next communication is planned for mid-September 2021.

Please feel free to contact the Fund at mbmed@medscheme.co.za if you have any questions or require more information.

MBMed Board of Management

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