



DISABILITY MANAGEMENT MANUAL

FOR

**THE UNIVERSITY OF KWAZULU-NATAL RETIREMENT
FUND**

March 2012

NOTE:

This manual is intended as a guide, and is based on relevant aspects of the Insurance Policy, but in no means substitutes the Rules or the Policies of the Insurer or the Company. The University of KwaZulu-Natal Retirement Fund Rules and Policy conditions with the existing Insurer are always over-riding and contain aspects that are not covered in this manual.

The procedures set out in this manual become part of the University of KwaZulu-Natal Retirement Fund Procedures and must be adhered to.

All rules and policy conditions will be strictly adhered to by Health Management Solutions.

The contents of this manual supersede that contained in all previous manuals.

JANUARY 2012

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SECTION 1

INTRODUCTION TO ALEXANDER FORBES HEALTH MANAGEMENT SOLUTIONS

Disability claims are difficult to assess with claimants often feeling that they have been unfairly treated; whilst Insurance companies feel that they are manipulated by emotional and business pressures to pay claims that are not valid.

In order to make sure that all disability claims are fairly assessed, the University of KwaZulu-Natal Retirement Fund has appointed Alexander Forbes Health Management Solutions to independently assess all disability claims and act as the intermediary between the Fund, the Company and the Insurer. This ensures that all claims are assessed according to the same standards and using the same criteria.

Health Management Solutions is a division of Alexander Forbes Health (Pty) Ltd, and specialises in advising and assisting companies with specific issues related to the health of employees. Health Management Solutions is comprised of staff members with a variety of specialist skills in the health industry, (including medical doctors and specialists; nurses; occupational therapists and other medical personnel); as well as administrators.

It must be emphasised that this manual should not be considered in isolation: the University of KwaZulu-Natal policy with regard to sick leave, incapacity and disability should always be consulted when dealing with disability or incapacity claims.

SECTION 2

DEFINITION OF DISABILITY

The definitions of disability under which benefits will be granted are very specific and read as follows:

DISABLEMENT INCOME BENEFIT

“Disabled”, “Disablement” and “Disability” shall mean the total inability of a member, as a result of illness or injury, to perform the duties of the occupation in which he or she was employed by the Employer at the onset of the illness or injury.

TOTAL AND PERMANENT DISABILITY

Metropolitan: From: 1 January 2010

Total and Permanent Disablement shall mean:

i. In respect of drivers and pilots:
a condition in which, in the opinion of Metropolitan, the Eligible Member has been so disabled by injury or disease as to be continuously, permanently and totally incapable of engaging for remuneration or profit in any occupation;

ii. In respect of all other Eligible Members:
a condition in which, in the opinion of Metropolitan, the Eligible Member has been so disabled by injury or disease as to be continuously, permanently and totally incapable of engaging for remuneration or profit in his own occupation or in any other occupation for which he is or could reasonably be expected to become qualified by virtue of his knowledge, training, education, ability and experience.

SECTION 3

WAITING PERIOD

- This is the period of disablement following the date of disablement, as specified by the Insurer.
- It is the period for which a Member must be disabled before becoming entitled to disability benefits.
- The Date of Disablement would usually be considered to be the last day that the Member/Claimant was actively at work, but can be changed at the discretion of the Insurer.
- **A person should be totally unable to work continuously for the full Waiting Period before a claim can be considered for total disability. Thus the Waiting Period will only begin once the Member has completed his/her last active day at work.**
- The Waiting Periods specified below apply in terms of eligibility for Insured benefits. We strongly recommend that the Company does not wait until the expiry of the Waiting Period to lodge a disability claim.
- The Waiting Periods on the University of KwaZulu-Natal Retirement Fund are :
Disablement Income Benefit: three (3) months.
This means a continuous period of three months immediately following the last day the Member was able to perform his own occupational duties.
Total and Permanent Disability: twenty four (24) months.
This means a continuous period of twenty four months immediately following the last day the Member was able to perform his own occupational duties.

SECTION 4

BENEFITS

The Disablement Income Benefit is currently self insured, whilst the Total and Permanent benefit is insured by Metropolitan (since 01 January 2010). Momentum was the previous Insurer (from 01 January 2009 ~ 31 December 2009).

Subject to limitations and conditions described in the respective policies, the benefits payable to the Member are as follows:

DISABLEMENT INCOME BENEFIT

If the member is disabled for an uninterrupted period of 3 (three) complete months, he shall be paid a Disability Income Benefit equal to:

- i) 50% of one-twelfth of his Fund salary in each of the next 3 (three) months;
and
- ii) For a period of 18 (eighteen) months thereafter, one-twelfth of his Fund Salary each month.

Payment of this benefit shall cease on the first of the following dates:

- 1) the date of the Member's recovery; or
- 2) the date of the member's death; or
- 3) the member's Retirement Date; or
- 4) the date on which a 2 (two) year period, commencing on the date on which the Member becomes entitled to the Disablement Income Benefit, expires.

TOTAL AND PERMANENT DISABLEMENT

[Metropolitan]

1. 3 times the Eligible Members final salary.
2. The Disability benefit shall be reduced by 1.67% for each month which an eligible Member's attained age exceeds 55 years.
3. The Disability benefits is subject to a maximum of R4 100 000 00.

SECTION 5

EXCLUSION CLAUSES

The following exclusions/restrictions are applicable:

DISABLEMENT INCOME BENEFIT

- Pre-existing medical conditions,
- Actively at work requirements,
- Failure to provide medical evidence as requested by the Employer,
- Hazardous occupation as notified by the Employer.
- Failure to undergo medical treatment whilst in receipt of benefits,
- Prolonged residence outside territories listed by the Employer.

Note: The Disablement Income Benefit shall be restricted in such a manner as decided upon by the Trustees of the Fund.

TOTAL AND PERMANENT DISABILITY

Payment of the Disability benefit shall be subject to the following further provisions:

- a) That the Eligible Members Disability did not directly or indirectly are from 1 of the following cases:
 - I. wilful self-injury;
 - II. active participation in war, invasion, acts of foreign enemies, hostilities, warlike operations (whether war is declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military action or usurped power; or
 - III. (a) the use of nuclear, biological or chemical weapons, or any radioactive contamination; or
(b) attacks on or sabotage of facilities (including, but not limited to, nuclear power plants, reprocessing plants, final respiratory sites and research reactors) and storage depots, which lead to the release of radioactivity or nuclear, biological or chemical warfare agents,
irrespective of whether any of the aforesaid has been performed with the specific use of information technology; or
 - IV. any act of civil commotion, riot, strike, labour disturbance or disturbance of public peace;

- V. any act of terrorism; i.e. an act, including but not limited to, the use of force or violence and/or the threat thereof, by any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological, or similar purposes including the intention to influence any government and/ or to put the public, or any section of the public, in fear that has been determined by the appropriate federal authority to have been an act of terrorism.
- b) both sub-paragraphs (iv) and (v) are waived, subject to Metropolitan reserving the right to reinstate these waived exclusions by giving the Employer 3 months written notice.
- c) that the Eligible Member does not reach Normal Retirement Age before expiry of the Waiting Period.
- d) that during the first 12 months after the Eligible Member's Commencement Date, his Disability did not directly or indirectly arise from a condition for which the Eligible Member was treated, or about which he knew, or could reasonably be expected to know, or about which he sought medical advice in the 6 months before his commencement date.

SECTION 6

NOTIFICATION OF A CLAIM

If there is **any** indication that a member will be off for an extended period (that is, longer than fourteen [14] days), notification must be sent **immediately** to Alexander Forbes Health Management Solutions.

Submit the notification of the claim to:

Ms Lorna Miller

Telephone : (031) 573 8245

Facsimile : (031) 573 8791

E-mail : MillerL@aforb.es.co.za

Some indications of when to notify us of a claim:

- When the member has been absent from work due to sickness or suspected sickness, for a continuous period of 14 days.
- The member's job description has been changed due to a medical condition.
- Members' productivity has reduced to 50% or less due to medical reason for a continued period.
- The members own occupation has changed due to medical reasons.

Late Submission:

Metropolitan: In terms of the Metropolitan Policy, Metropolitan must be provided with the required documents within 180 days of the Eligible Members Date of Impairment. Failure to do so will result in the claim being declined due to late submission of documentation.

Please note: Until the outcome of the claim is known, the Member is to remain an active member of the Fund. If the Member is not being remunerated, the University's portion of the contribution should continue to uphold the risk benefit cover i.e. death and disability cover.

SECTION 7

ADMINISTRATIVE PROCEDURE

1. Alexander Forbes Health Management Solutions (HMS) must be notified of a potential claim as soon as possible. As soon as any member of staff is not at work for fourteen (14) days, it must be treated as a potential disability claim.

Fax or E-mail the completed Initial Disability Claim Advice form and a copy of the medical certificate or a sick note signed by the Medical Practitioner, to Alexander Forbes Health Management Solutions. Do not wait for all the forms to be completed before submitting this notification.

Alexander Forbes Health Management Solutions will subsequently advise the Insurer of the potential claim.

2. As soon as it is confirmed that the Member will not be able to return to work, the following forms* and details must be completed and submitted to the contact previously provided, as soon as possible:
 - a. Disability Claim Statement, to be completed by the Employer and the Employee
 - b. Job description
 - c. Consent form
 - d. Sick leave records
 - e. A certified copy of the Member's Identity Document or Birth Certificate
 - f. The Member's payslip as at date of disability
 - g. All medical evidence, such as x-ray reports, sick notes, specialist reports or other evidence, which the Member may have.

Send each of these items as soon as they arrive. Do not wait for the batch to be completed.

* See Appendix B

3. Alexander Forbes Health Management Solutions will pre-assess the claim and notify you of other specific requirements e.g. forms to be completed, medical examinations required.
4. If specific medical examinations are required, Alexander Forbes Health Management Solutions will write a letter of referral to the specified Doctor. The actual appointment with the doctor should be made by the Member/Company. Alexander Forbes Health Management Solutions may also contact the Doctor telephonically if necessary.
5. As soon as all the requirements are received, Alexander Forbes Health Management Solutions will assess the claim, and advise on the validity of the claim. The Insurer will also be advised of the potential total and permanent disability claim. The University is required to advise the Member of the decision reached.
6. If a benefit is to be paid, Alexander Forbes Administration Service will coordinate such with the University and the Fund Payroll Department.

SECTION 8

COST OF MEDICAL EXAMINATIONS

1. INITIAL MEDICAL REQUIREMENTS

This is the basic medical evidence that is required in order to prove a claim. The onus is on the claimant to prove his disability and therefore, the cost of this medical evidence is to be borne by the claimant.

This evidence constitutes the following:

- a) the initial Medical Report completed by a Specialist
- b) other standard questionnaires that Alexander Forbes Health Management Solutions may require and
- c) essential substantiating evidence such as blood test results, x-rays, electrocardiograms and lung function tests.

2. ADDITIONAL MEDICAL EVIDENCE

Should the evidence supplied in 1 a) above, be insufficient, further substantiating evidence may be requested. This evidence will be paid for by the Fund/Insurer.

[Alexander Forbes Health Management Solutions will specify if the requirements will be paid for by the Fund/Insurer].

SECTION 9

CONFIDENTIALITY OF MEDICAL INFORMATION

All documentation containing medical information should be handled in the strictest confidence.

In the process of lodging a disability claim, a Member/Claimant gives consent to release the medical information to Alexander Forbes Health Management Solutions, in order for the claim to be assessed for disability benefits.

The Medical Practitioner has to mail/fax the medical information directly to Alexander Forbes Health Management Solutions. Should circumstances arise where the Company receives medical information, this information should be sent directly to Alexander Forbes Health Management Solutions.

CAUTION

A simultaneous claim should be lodged against WCA (COID) at the same time if the inability to work is due to an accident at work.

SECTION 10

VALID CLAIMS

In the event of a claim being assessed as a valid claim, the University will be notified of the following:

- a) the date as to when the claim will be paid from
- b) the date as to when payments will stop (if applicable)
- c) when re-assessments (if applicable) will be conducted
- d) what the requirements will be at the time of the re-assessment (if this information is available)
- e) what will happen if s/he recovers totally/ partially

SECTION 11

REVIEW

While the employee is in receipt of a Disablement Income Benefit, the claim will be reviewed on a regular basis.

The University will be notified timeously of the review date, as well as the requirements needed for the review.

The Fund/Insurer will carry the cost for the medical requirements or investigations that are deemed necessary for review.

The claim will be re-assessed by Alexander Forbes Health Management Solutions.

SECTION 12

INVALID CLAIMS/ APPEAL

If the claim is not a valid claim in the opinion of the Alexander Forbes Health Management Solutions, an indication will be provided as to the level of the disability and the possibility of rehabilitation/ re-alignment/ the members return to work. Suggestions of alternative options will be made where applicable.

Where a member is not satisfied with the outcome of the insurer decision, new or additional medical evidence should be submitted to:

Bev Gallagher
Alexander Forbes
Health Management Solutions
PO Box 782
Umhlanga Rocks
4320
Tel: (031) 573 8304
Fax: (031) 573 8682
E-mail: Gallagherb@forbes.co.za

and a request should be made to review the case in the light of new medical evidence.

SECTION 13

INCAPACITY MANAGEMENT

The Labour Relations Act has codified Employers' responsibilities with regard to incapacity of Employees and forces them to take certain steps before dismissing an Employee as a result of incapacity due to ill-health or injury. The principles of fairness as expressed by our Industrial Courts have been included in a Code of Good Practice and annexed as Schedule 8 of the Labour Relations Act.*

Each case of incapacity must be thoroughly investigated and the process should be transparent to the Employee.

The investigation must be done by the Employer and discussed with the Employee, who must be given the opportunity to present his case and must be allowed representation by a Trade Union representative or a fellow Employee.

The incapacity must be investigated by considering the following question:

Is the inability to work is of a temporary or a permanent nature?

PERMANENT

It is difficult to accurately predict the permanence of many medical conditions, although there do exist situations in which a prediction can be made to a high degree of certainty.

If the incapacity is permanent, the following must be investigated:

- Can the work situation be adapted to accommodate the individual in the workplace?
- Is there a more suitable alternative occupation that the individual can perform?

If the above options have been thoroughly investigated, and are unfeasible, the employee can be terminated. (See below).

* See Appendix A

TEMPORARY

If the incapacity has been established to be of a temporary nature, two issues then need to be considered, viz. the length and reasonability of the absence.

Thus the estimated time of absenteeism must be established/ investigated:

- (i) If not extended, the Employee will be expected to return to work (in his own occupation) within the normal allowed sick leave period.
- (ii) If extended, the Employee will not return to work within the normal allowed sick leave period and a decision has to be made with regard to the Employee and the position that he is supposed to fill.

If the absence is deemed reasonable, the following should be investigated, regardless of the level of inability:

- Could the work situation be adapted to accommodate the Employee's impairment?
- Could some duties (key performance areas) of the Employee be changed to accommodate the Employee's impairment?
- Could the Employee be accommodated in an alternative job (even at a lower salary)?
- Consider the possibility of a temporary replacement in anticipation that the Employee will soon return to his original position. This will depend on cost of such an arrangement.

An unreasonable period of absence would entail the following:

- Any absence not certified to and approved by a Medical Doctor.
- An absence that though certified by a Medical Doctor is deemed to be unreasonably extended by another Medical Practitioner of the Employer's choice.
- Where the period of absence is deemed to be unreasonable, the Employee's services can eventually be terminated, following the normal procedure for poor performance and with all due written warnings and discussion.

HMS AND INCAPACITY MANAGEMENT

Health Management Solutions is able to assist the company with the incapacity investigation by instituting the following procedure:

- Requesting a consent form to be completed by the member, authorising us to investigate his/her medical condition
- Where necessary, referring the member to a suitable medical practitioner for further medical information (the costs involved are usually borne by the employer)
- Thereafter, analysing all information available and making informed recommendations to the company regarding the management of the employee.

These recommendations may include accommodations that can be made within the workplace; realignment of the member; submission of a disability claim or instituting disciplinary measures.

***NOTE:** The incapacity service provided by Alexander Forbes Health Management Solutions is an advisory service only, in that an independent medical opinion is provided. However, company policies with regard to issues such as sick leave; unpaid leave etc **MUST** also be consulted when dealing with employees.

TERMINATION

If after a complete and thorough incapacity investigation, the Employee cannot be accommodated within the company, the services of the Employee may be terminated.

The termination is done on one of the following bases:

- (i) If the Employee is totally disabled and qualifies for total disability benefits, his services could be terminated, OR
- (ii) If the Employee is only partially disabled, he would not qualify for total disability benefits and his services must be terminated on a negotiated basis with an agreed benefit.

SUMMARY

It is therefore clear that with the implementation of the Labour Relations Act, Employers may no longer pass the responsibility for incapacitated employees to Pension/Provident Funds, Disability Benefit Funds or Insurance Companies without conducting the necessary investigation and demonstrating a willingness to accommodate Employees with medical problems.

There is no obligation on Employers to create additional jobs at a considerable cost to the Company. However, the onus is on the Employer to attempt to accommodate the Employee where possible and to provide assurance that a full and fair investigation has been conducted before dismissal of an Employee on medical grounds.

The onus of the investigation is on the Employer whether or not there are disability benefits. The Act makes it clear that there is a greater onus on Employers to accommodate an Employee who was injured at work or suffers from a work related condition than where the disability is not work related - thus emphasising the moral obligation that Employers have been feeling for years with regard to such Employees.

Finally, Employers will require support and professional advice in order to conduct their investigations, as well as to act fairly, justly and in accordance with the Labour Relations Act.

Alexander Forbes Health Management Solutions provides a service to assist with this. The service is professional, unbiased and will guide the participating parties (Employer, Employee and their representatives) through the investigation of disability, as determined by the Labour Relations Act.

SECTION 14

GENERAL COMMENTS

1. Make sure all claim forms are completed fully, legibly and accurately.
2. Comply with the exact requirements from Alexander Forbes Health Management Solutions. If this is not possible, contact :

Bev Gallagher

Tel: (031) 573 8304

Fax: (031) 573 8682

E –mail: Gallagherb@forbes.co.za

Or, **Ashley Ramsoonder**

Tel: (031) 573 8307

Fax: (031) 573 8655

E –mail: RamsoonderA@forbes.co.za

Alexander Forbes

Health Management Solutions

PO Box 782

Umhlanga Rocks

4320

and, if possible, alternative arrangements can be made.

3. Only complete the forms that Alexander Forbes Health Management Solutions request to be completed.
4. Send **all** information to Alexander Forbes Health Management Solutions as **soon** as it is received.
5. Doctors are required to submit information on the actual medical condition of the claimant. Alexander Forbes Health Management Solutions supplies the standard of assessment and decides the actual level of disability for the member's own occupation or any other occupation.

SECTION 15

DISABILITY CLAIM FORMS

1. INITIAL DISABILITY CLAIM ADVICE

To be completed by the employer as soon as: an employee has been off work for fourteen (14) days or whenever there is a possible claim. Send this form to Alexander Forbes Health Management Solutions.

2. DECLARATIONS

- a) Disability Claim Statement
- b) Job description

3. MEDICAL REPORTS

The general practice is that the following reports will be required:

- A report from a Specialist.
- Any other medical report that the claimant may have.

(Health Management Solutions will advise of the medical requirements as soon as the initial claim advice is received).

4. CONSENT FORM

This is essential for us to request medical evidence on behalf of the Member/Claimant.

5. OTHER DOCUMENTATION REQUIRED:

- certified copy of the Member's ID document
- payslip; certificate of earnings; salary history
- sick leave record
- banking details of the Employer and the Member

APPENDIX A:

Code of Good Practice

The following was prepared as a summary of the salient features of:
“The code of good practice on the employment of people with disability” –
from the Employment Equity Act.

CODE OF GOOD PRACTICE ON THE EMPLOYMENT OF PEOPLE WITH DISABILITIES

Launched on 19 August 2002

Health Management Solutions has highlighted the points relevant to disabilities from the Code of Good Practice on the employment of people with disabilities as follows:

(6) Reasonable accommodation for people with disabilities:

- Employers should reasonably accommodate the needs of people with disabilities to reduce the impact of impairment on the person's capacity to fulfil the essential functions of a job.
- Reasonable accommodation may be temporary or permanent
- It applies to employees who are suitably qualified for the job
- The employer should consult the employee and, where reasonable and practical, technical experts, to establish appropriate mechanisms to accommodate the employee.
- The employer need not accommodate an employee with a disability if this would impose unjustifiable hardship on the business of the employer.

(7.5) Terms and conditions of employment:

- An employer may not employ people with disabilities or retain employees, who become disabled, on less favourable terms and conditions than employees doing the same work, for reasons connected with the disability.

(8.2) Medical testing after Illness or Injury:

- If an employee has been ill or injured and it appears that the employee is not able to perform the job, the employer may require the employee to agree to a functional determination of disability. Such test shall be used to determine if the employee can safely perform the job or to identify reasonable accommodation for the employee.

(8.4) Pre-benefit Medical Examination:

- Employees may be required to submit a medical examination or tests before becoming members of employee benefit schemes that are offered within the employment relationship.
- The purpose of these examinations is to assess a person's suitability for membership of a benefit scheme and is not relevant to a person's capability to perform the job.
- Therefore an employer may not refuse to recruit, train, promote or otherwise prejudice any person only because that person has been refused membership of the benefit scheme.

(11) Retraining people with disabilities

- Employees who become disabled during employment should, where reasonable be reintegrated into work. Employers should seek to minimise the impact of the disability on employees.
- If an employee becomes disabled, the employer should consult the employee to assess if the disability can be reasonably accommodated.
- The employer should maintain contact with the employee and where reasonable encourage early return to work. This may require vocational rehabilitation, transitional work programmes and where appropriate, temporary or permanent flexible working time.
- If an employee is frequently absent from work for reasons of illness or injury, the employer should consult the employee to assess if the reason for absence is a disability that requires reasonable accommodation.

- If reasonable, the employer should explore the possibility of offering alternative work, reduced work or flexible work placement, so that employees are not compelled or encouraged to terminate their employment.

(12) Termination of Employment:

- If the employer is unable to retain the employee in employment in terms of the above paragraph, then the employer may terminate the employment relationship.
- Employers who provide disability benefits should ensure that employees are appropriately advised before they apply for the benefits available and before resigning from employment because of a medical condition.

(14) Confidentiality and Disclosure of Disability:

- Employers must protect the confidentiality of the information that has been disclosed, and must be kept separate from general personnel records.
- Employers may not disclose any information relating to a person's disability without the written consent of the employee.

(15) Employee Benefits:

- An employer, who provided or arranged for benefit plans of fund, must ensure that they do not unfairly discriminate, either directly or indirectly against people with disabilities.
- Employees with disabilities may not be refused membership of a benefit scheme only because they have a disability.

APPENDIX B:

Disability Claim Forms