



MINISTRY
COMMUNICATIONS AND DIGITAL TECHNOLOGIES
REPUBLIC OF SOUTH AFRICA

**PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA
NATIONAL ASSEMBLY
WRITTEN REPLY**

QUESTION NO: 586

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Ms D Kohler (DA) to ask the Minister of Communication and Digital Technologies

1. What are the relevant details and reasons for management deducting staff medical aid contributions from employees, but not paying it over to the medical aid provider.
2. whether management intends to continue with the specified practice; if not, what is the position in this regard; if so, what are the relevant details;
3. what (a) dates and/or periods have medical aid benefits and cover for SA Post Office employees been cut and/or suspended over the past three financial years, as a result of nonpayment of medical aid contributions by management and (b) are the full, relevant details in this regard?

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Reply

1. The SA Post Office financial position has been dire as expenses have continued to exceed revenue resulting in unfunded losses. SA Post Office has continued to manage its expenses prudently resulting in the loss position not worsening. Staff costs is the primary cost driver at 69% of total expenses with revenue unable to cover the total staff cost. The monthly salaries have been prioritised, however, cash flow has been insufficient to pay medical and other statutory expenses in full.
2. The funding and implementation of the Post Office of Tomorrow strategy will improve operational and financial performance.

3. Partial payment of medical aid contributions commenced April 2020. A total amount of R561,667,106 is currently owed to Medipos. This amount is historical debt, there is no current amount outstanding, SAPO is up to date with Medipos payments. Medical aid benefits for Medipos were suspended from 1 October 2022 to 13 October 2022, and then reinstated on 14 October 2022. The other medical aid schemes (Bonitas, Discovery and Sizwe) were suspended in November 2022 due to non-payment of October 2022 contributions. The suspension was lifted after payment was made in January 2023 for the outstanding three months, October to December 2022.

Medical aid benefits were suspended once more in February 2023 due to non-payment of January and February 2023 contribution. These contributions were paid 8 March 2023. The number of employees affected differs on a month-to-month basis depending on membership numbers, at approximately 10,975 active employees + 1,740 pensioners = 12,715 principal members.

Thank You.