



SUPPLEMENT No. 2
TO
THE SOVEREIGN BASE AREAS GAZETTE
No. 1736 of 18th March 2014
LEGISLATION

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ORDINANCE 2014

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MEDICAL CONTRIBUTIONS (ADMINISTRATION EMPLOYEES AND PENSIONERS)
ORDINANCE 2014

An Ordinance to provide for the payment of contributions by Administration employees and pensioners for membership of the medical treatment card scheme or the medical fund and related matters

R. J. CRIPWELL
ADMINISTRATOR

11th March 2014.

BE it enacted by the Administrator of the Sovereign Base Areas of Akrotiri and Dhekelia as follows:—

1. Short title and commencement

This Ordinance may be cited as the Medical Contributions (Administration Employees and Pensioners) Ordinance 2014 and is deemed to have come into force on 1 March 2014.

2. Interpretation

(1) In this Ordinance—

“Administration employee” means a person employed by the Administration who was recruited and engaged on the island of Cyprus, excluding a person who is a dependant, as defined in paragraph 1(d) of section 1 of Annex C to the Treaty of Establishment;

“dependant”, except in the definition of Administration employee, is to be construed in accordance with sections 3 and 4;

“fund contribution” means the amount of contribution for a member of the medical fund and a dependant admitted to the fund, specified in section 8(2);

“medical fund” or “fund” means the fund for Administration employees from which a person who is a member of the fund may claim reimbursement, in accordance with the rules of the fund, for the cost of medical treatment for the member and a dependant admitted to the fund;

“medical treatment card scheme” or “scheme” means the scheme agreed between the Administration and the Republic which entitles Administration employees, pensioners and their dependants to obtain medical and dental treatment at medical centres, dental centres and hospitals on the island of Cyprus which are administered by the Government of the Republic;

“member” means an Administration employee or a pensioner who is a member of the medical treatment card scheme or the medical fund, as is applicable to the context;

“pay period” means the period by reference to which a person is paid salary or pension, but does not include any payment for a deemed 13th month;

“pensioner” means a former Administration employee in receipt of a pension from the Administration and includes a person in receipt of a pension in respect of a deceased Administration employee;

“scheme contribution” means the contribution payable by a member of the medical treatment card scheme specified in section 7(2).

- (2) The references to “employed” and “employee” in subsection (1) are to be construed as including service as a police officer.

3. Dependant: medical treatment card scheme

- (1) For the purpose of the medical treatment card scheme, “dependant” means—
 - (a) the spouse of a member; and
 - (b) a child of a member.
- (2) In this section, a person is a child of a member until whichever is the later of —
 - (a) 31 December of the calendar year during which the child attains the age of 18; or
 - (b) 31 December of the calendar year during which the child completes full-time secondary education; or
 - (c) where subsection (3) applies, 31 December of the calendar year which ends not more than 5 consecutive years after whichever is the later of—
 - (i) the dates specified in paragraph (a) or (b);
 - (ii) the date the child completes compulsory military service.
- (3) This subsection applies where the child is in full-time post secondary education, whether on the island of Cyprus or elsewhere.
- (4) The Chief Officer may require a member to provide documentary evidence that a person is a dependant within the meaning of this section.

4. Dependant: medical fund

- (1) For the purpose of the medical fund, “dependant” means—
 - (a) the spouse of a member;
 - (b) a child of a member as defined in the rules of the fund.
- (2) The Chief Officer may require a member to provide documentary evidence that a person is a dependant as defined in the rules of the fund.

5. Administration employees

- (1) An Administration employee is eligible to join the medical treatment card scheme or the medical fund.
- (2) Membership of the medical fund is subject to the rules of the fund.
- (3) An Administration employee may opt to join the medical treatment card scheme or the medical fund at any time, but may not be a member of both at the same time.
- (4) An Administration employee who opts to join the medical treatment card scheme remains a member of the scheme for the calendar year for which the Republic issues a medical treatment card to the member.
- (5) Subsections (6) and (7) apply to an Administration employee who leaves employment and is not entitled to an immediate pension.
- (6) Where the person is a member of the medical treatment card scheme, the person must return the medical treatment card to the Chief Officer on or before the last day of employment.

- (7) If the person does not return the card, the Chief Officer may withhold from the person's terminal benefits (including final salary) an amount equal to the scheme contributions which would have been payable for the pay periods in the remainder of the calendar year after the termination of employment.
- (8) (For the avoidance of doubt a person who is not an Administration employee is not eligible to be a member of the medical fund.)

6. Pensioners

- (1) A pensioner is eligible to join the medical treatment card scheme.
- (2) Where a person who is a member of the medical treatment card scheme retires and is entitled to an immediate pension, the person remains a member of the scheme unless the person opts out in accordance with section 9.
- (3) A pensioner may opt to join the medical treatment card scheme at any time on or after pension comes into payment and remains a member of the scheme for the calendar year for which the Republic issues a medical treatment card to the member.

7. Payment of contributions for medical treatment card scheme

- (1) This section applies to a person who is a member of the medical treatment card scheme.
- (2) The amount of the scheme contribution is 1.5% of applicable earnings for each pay period.
- (3) The member must pay the scheme contribution in respect of each pay period that the person is a member.
- (4) No additional scheme contribution is payable for the member's dependants.
- (5) The Administrator, before paying salary or pension to the member, must deduct the contribution specified in subsection (2).
- (6) In this section "applicable earnings" means—
 - (a) in the case of an Administration employee, gross basic pay and cost of living allowance;
 - (b) in the case of a pensioner, gross pension, less any adjustment to take account of supplementary pension paid from the Republic's social insurance fund.

8. Payment of contributions for medical fund

- (1) This section applies to a person who is a member of the medical fund.
- (2) The amount of the fund contribution for the member and a dependant or dependants admitted to the fund is the amount specified in the rules of the fund.
- (3) The member must pay the fund contribution in respect of the member and any dependant admitted to the fund for each pay period that the person is a member.
- (4) The Administrator, before paying salary to the member, must deduct the fund contribution or fund contributions.

9. Opting out of membership of medical treatment card scheme or medical fund

- (1) A member of the medical treatment card scheme during a calendar year is deemed to be a member of the scheme for the following calendar year ("the following year") and required to pay scheme contributions for each pay period of the following year unless the member opts out of the scheme on or before the 31 January of the following year.
- (2) Subject to the rules of the medical fund,—
 - (a) a member of the fund remains a member until the member opts out of the fund;
 - (b) a person admitted to the fund as a dependant remains admitted until the member opts for the dependant's admission to cease, or the person no longer qualifies as a dependant.

10. Options to be in writing etc.

- (1) An option under this Ordinance—
 - (a) must be in writing;
 - (b) is deemed to be made on the day the Chief Officer receives the notification.
- (2) Subject to subsection (3), an option to join the medical treatment card scheme, takes effect on the first day of the month following the month the member's medical card is issued by the Republic, or 1 January of the calendar year to which the option relates, as is applicable to the case.
- (3) A person may request to become a member of the scheme immediately on receipt of the medical treatment card from the Republic.
- (4) Where subsection (3) applies, for the purpose of payment of scheme contributions the person is deemed to have been a member of the scheme from the first day of the month in which the medical treatment card is received.
- (5) An option to opt out of the medical treatment card scheme takes effect on 1 January of the calendar year to which the option relates.
- (6) An option to join or opt out of, the medical fund takes effect on the first day of the month following the month in which the option is made.

11. Consequential amendments

Regulation 27 of the Police and Prison Officers (General) Regulations 2007^(a) is amended as follows—

- (a) paragraph (1) is revoked and substituted with the following—
 - “(1) A locally engaged police officer is eligible to become a member of the Administration's medical fund or the medical treatment card scheme, as defined in the Medical Contributions (Administration Employees and Pensioners) Ordinance 2014, and, on becoming a member, must pay the contributions specified in that Ordinance.”;
- (b) paragraphs (9) and (11) are revoked.

12. Transitory provisions

- (1) A member of the medical treatment card scheme in the calendar year 2013 is deemed to be a member of the scheme for the calendar year 2014 and required to pay scheme contributions commencing with the pay period which starts on 1 March 2014, except where the member notified the Chief Officer in writing on or before 10 February 2014 that the member wishes to opt out of the scheme for the calendar year 2014.
- (2) A member of the medical fund, in the calendar year 2013 is deemed to be a member of the fund for the calendar year 2014 and required to pay fund contributions commencing with the pay period which starts on 1 March 2014, except where the member notifies the Chief Officer on or before 10 February 2014 that the member wishes to opt out of the fund.
- (3) A dependant of a member of the medical fund who was admitted to the medical fund in the calendar year 2013 is deemed to be admitted to the fund for the calendar year 2014 and the member is required to pay contributions commencing with the pay period which starts on 1 March 2014 except where the member notified the Chief Officer on or before 10 February 2014 that the member opts for the dependant's admission to the fund to cease.

Notes

- (a) P.I. 26/07; there are no relevant amendments.

EXPLANATORY NOTE

(This note is not part of the Ordinance)

Introduction

1. This explanatory note relates to the Medical Contributions (Administration Employees and Pensioners) Ordinance 2014 (the “Ordinance”). It has been prepared by the Office of the Attorney General and Legal Adviser in order to assist the reader of the Ordinance. It does not form part of the Ordinance.

2. This note should be read in conjunction with the Ordinance. It is not, and is not meant to be, a comprehensive description of the Ordinance. So, when a section or part of a section does not seem to require any explanation or comment, none is given.

Particular points

3. The Ordinance establishes the legal framework for the payment of contributions by employees (including police officers) and pensioners of the Administration of the Areas to contribute, by deduction from salary or pension, to the medical treatment card scheme or the medical fund. The Ordinance is generally equivalent to Republican law which requires public servants in the Republic to pay a contribution for a medical treatment card entitling them and their dependants to medical treatment in medical centres and hospitals administered by the Republic.

4. Section 2 contains various interpretative provisions. The medical treatment card scheme (the “scheme”) is the scheme which entitles members and their dependants to receive treatment at medical, dental centres and hospitals administered by the Republic. The medical fund (the “fund”) provides for the reimbursement of certain medical expenses incurred by members and their dependants in accordance with the rules of the fund.

5. Sections 3 and 4 defines a dependant. In both the scheme and the fund, a spouse of a member is a dependant as is a dependant child

6. Section 5 provides that Administration employees may opt to join the medical treatment card scheme or the medical fund. They may not be a member of both at the same time. An employee who leaves the Administration who is not entitled to immediate pension must return the medical treatment card.

7. Section 6 provides that pensioners are eligible to join the medical treatment card scheme.

8. Section 7 provides that the contribution towards the scheme is 1.5% of earnings (basic salary and cost of living allowance) or pension. This is deducted before payment of salary or pension. No account is taken of 13th month salary.

9. Section 8 provides that members must pay fund contributions for themselves and any dependants admitted to the fund. The fund contribution is set out in the rules of the fund. For 2014 it is €5.70 per month for each member and dependant admitted. The fund contributions are deducted before payment of salary or pension. No contribution is deducted from 13th month salary.

10. Section 9 makes provision for opting out of membership of the scheme or the fund. A person may opt out of membership of the scheme only with effect from the end of a calendar year. The option must be exercised before 31 January of the following year.

11. Section 10 provides that options under the Ordinance to join or opt out of the scheme or the fund must be made in writing to the Chief Officer. The Chief Officer may delegate this function under the Exercise of Functions Ordinance 2012.

12. Section 11 makes consequential amendments to the Police and Prison Officers (General) Regulations 2007 relating to the entitlement of locally engaged police officers to join either the scheme or the fund on payment of the contributions set out in the Ordinance

13. Section 12 makes transitory provision for 2014 only.

