**Unlocking your benefits - Medical aid tax credits and subsidies**

**Johannesburg - Paying monthly contributions to a registered medical aid scheme ensures your healthcare cover and offers financial benefits facilitated by the government through tax relief. This tax relief, known as "tax credits", is a percentage deducted from your tax liability and subsequently refunded to you. You save money by adhering to proper tax filing procedures, making healthcare provisions more economically viable.**

Access to affordable healthcare is essential for every individual in South Africa. Medical aid tax credits and subsidies are designed to alleviate financial burdens, making quality healthcare more affordable. In this article, we will unravel the world of medical aid tax credits and subsidies in South Africa, empowering you to understand and potentially benefit from these essential programmes.

The South African Revenue Service [(SARS)](https://www.sars.gov.za/types-of-tax/personal-income-tax/medical-credits/) has two categories for claiming tax back on medical aid. The first category is the Medical Scheme Fees Tax Credit (MTC) system, which provides tax credits to taxpayers contributing to a registered medical scheme. This tax benefit is calculated based on the number of dependents covered. The second method, called the Additional Medical Tax Credit (AMTC), enables taxpayers to claim tax returns for out-of-pocket medical expenses not covered by their medical aid.

**To qualify for medical aid tax credits in South Africa, you must meet specific criteria:**

* Membership of a Registered Medical Scheme: You must be a member of a registered medical scheme in South Africa recognised by SARS.
* Age Requirement: There are three age requirement options.
	+ Option 1 - If you are under the age of 65 and do not have a disability, you will fall into the most common category. To calculate your medical tax credit, you must add up your total contributions to your medical aid, which should exceed four times your medical scheme fees credit plus qualifying medical expenses. Once done, you must subtract 7.5% of your taxable income and multiply the result by 25%. This result will give you your medical tax credit for the year.
	+ Option 2 – If you are under 65 and have a disability, you may qualify for this option. This option calculates your medical scheme credits as 33.3% of all your qualifying medical expenses paid by yourself, plus the amount by which the total medical scheme contributions should exceed three times the medical scheme fee credits.
	+ Option 3 – Applies if you are over 65, with or without a disability. This category calculates your credits as 33.3% of your qualifying medical expenses plus the amount by which your medical scheme contributions should exceed three times the medical scheme fee credits.
* Financial Thresholds: Household income and the number of dependents determine eligibility. The government determines income thresholds, which may change annually. This tax credit then decreases as income increases.

Taxpayers can claim medical scheme credits by completing the relevant sections of their annual income tax return. The tax credit amount depends on the number of beneficiaries covered by the medical scheme and is subject to yearly adjustments by SARS.

**Understanding medical aid subsidies**

Medical aid subsidies are financial assistance the government provides to reduce the cost of premiums for low-income individuals and families. The Medical Scheme Premium Tax Credit (MSPC) system offers these subsidies, which aim to make quality healthcare more affordable by reducing the financial strain of medical scheme contributions for eligible individuals.

**To apply for medical aid tax credits and subsidies, follow these steps:**

1. Complete the Appropriate Forms: Obtain the relevant forms from the SARS website or visit a SARS branch to collect them.
2. Gather Required Documentation: Collect necessary documents, such as proof of income, medical scheme membership, and identification documents for all applicable dependents.
3. Submit Application: Submit the completed application forms and supporting documentation to SARS per their guidelines.

Taxpayers must keep accurate records of their medical scheme contributions and any other qualifying medical expenses to support their tax claims. Failure to comply with SARS requirements or providing incorrect information may result in penalties or additional taxes.

Medical aid tax credits and subsidies in South Africa are vital in making quality healthcare more accessible and affordable for individuals and families. You can take advantage of their financial support, by understanding these programmes' eligibility criteria, application processes, and benefits.

In addition to saving when you receive your tax returns, Medshield offers affordable benefits where you can also save. We continuously review and improve the range of benefits in each option to bring you what you need – quality healthcare at affordable prices and a range of plans that suit your specific needs.

Medshield also received, for the 16th consecutive year, the acclaimed AA- with a stable outlook, Global Credit Rating for our ability to pay our members' claims. You never know when you or your family member/s may require medical care or treatment, and most importantly, whether you will have funds available to cover the costs. Medshield is a healthcare fund where all members contribute to the fund every month to cater for medical cover should the need arise.

Remember to consult the South African Revenue Service (SARS) website or seek assistance from a professional tax advisor for accurate and up-to-date information. By harnessing medical aid tax credits and subsidies, you can ensure that you and your loved ones receive the healthcare you need while lessening the financial burden associated with medical expenses.

**FIN**

(883 words)

**EDITORS NOTES**

**FURTHER MEDIA INFORMATION AND INTERVIEW REQUESTS**

* Stone issues this release on behalf of the Medshield Medical Scheme.
* For media enquiries or interview requests, please contact Willem Eksteen, CEO of Stone or a media liaison member of the Stone team at media@stone.consulting / 011 447 0168
* Alternatively, contact Lilané Swanepoel at Medshield at 010 597 4982 / lilanes@medshield.co.za

**MORE INFORMATION ON THE 2024 MEDSHIELD BENEFIT OPTIONS AND CONTRIBUTIONS**

Benefits and Contribution amendments are subject to CMS approval.

Please refer to the 2024 Product Page on the Medshield website at <https://medshield.co.za/>. You can review the benefit adjustments and value adds and download the 2024 benefit guides

* **PremiumPlus** provides mature families and professionals with unlimited hospital cover in a hospital of their choice, with In-Hospital Medical Practitioner consultations and visits paid at 200% Medshield Private Tariff, and the freedom to manage daily healthcare expenses through a comprehensive Personal Savings Account and extended Above Threshold Cover.
* **MediBonus** provides mature families and professionals with unlimited hospital cover in a hospital of their choice, with In-Hospital Medical Practitioner consultations and visits paid at 200% Medshield Private Tariff, and the independence to manage daily healthcare expenses through a substantial Day-to-Day Limit.
* **MediSaver** is perfect for independent individuals and young professionals thinking about expanding their families. MediSaver offers unlimited hospital cover in the Compact Hospital Network, with the freedom to manage daily healthcare expenses through a generous Personal Savings Account.
* **MediPlus** provides middle to upper-income families with complete healthcare cover for major medical and daily healthcare needs. Unlimited hospital cover is provided through a choice of two hospital networks, Prime or the value-focused Compact Hospital Network. Daily healthcare expenses are covered through a generous Day-to-Day Limit. Benefits are identical in both categories, Prime and Compact, with care coordination and doctor referral mandated on MediPlus Compact.
* **MediCore** is ideal for healthy individuals looking for comprehensive hospital cover, with daily healthcare expenses self-managed. This option offers unlimited hospital cover in the Compact Hospital Network, with In-Hospital Medical Practitioner consultations and visits paid at Medshield Private Tariff 200%. Day-to-day healthcare expenses are self-funded.
* **MediValue - Prime and Compact** - is the ideal option for growing families. It offers affordable cover for major medical and daily healthcare needs. Unlimited hospital cover is provided through a choice of two hospital networks, Prime or the value-focused Compact Hospital Network. Daily healthcare expenses are covered through a sizeable Day-to-Day Limit. Benefits are identical on both options, MediValue Prime and MediValue Compact, with care coordination and doctor referral mandated on MediValue Compact.
* **MediSwift** is the ideal hospital plan for active, healthy individuals. Major medical emergency and In-Hospital treatment are covered up to R1 million per family in the Compact Hospital Network, with the added benefit of day-to-day treatment for non-professional sports injuries. As a hospital plan, MediSwift offers no Day-to-Day benefits, allowing members the freedom to self-manage their daily healthcare expenses.

**Medshield Medical Scheme - Live Assured knowing you have a Partner for Life.**

**ABOUT MEDSHIELD MEDICAL SCHEME**

* Medshield is a healthcare fund where all members contribute towards the fund monthly to cater for medical cover should the need arise.
* Medshield has been in operation since 1968, making us one of the most experienced, knowledgeable, and reliable medical schemes in South Africa. Our extensive experience in the healthcare sector guides our understanding of our members' needs. Our excellent cover and benefits combined with the best quality systems and services have resulted in our exceptional size and strength.
* Each of our options offers affordably priced benefits. We continuously review and improve the range of benefits in each option to bring you what you need.
* Our impeccable reputation of prompt payments to hospitals, doctors, pharmacies and other medical caregivers guarantees approval from service providers when you present your Medshield membership card.
* Our extensive partner networks place us in the perfect position to offer exceptionally competitive rates to our members.
* Medshield is well-represented throughout all nine provinces and provides seamless access to service providers in your area. Our geographical spread provides convenience if it becomes necessary for you to have a personal discussion with one of our experienced consultants. We also have a streamlined online claim submission system and immediate contact centre assistance, making it easier to manage your membership and claims from the convenience of your home or office.
* Our extensive range of additional benefits and services is another distinguishing factor. Our benefits and services have been designed to give members additional support when they need it most, for instance, in an emergency or when suffering from a chronic or life-threatening condition.
* Compared with other medical schemes, our trustworthiness, impeccable history, and exceptional service guarantee that we come out tops!