

Financial Fitness : Taking Control Of Your Medical Contributions and Rebates.

- Get a check-up on your finances! We'll show you how to make the most of your medical aid contributions and rebates.



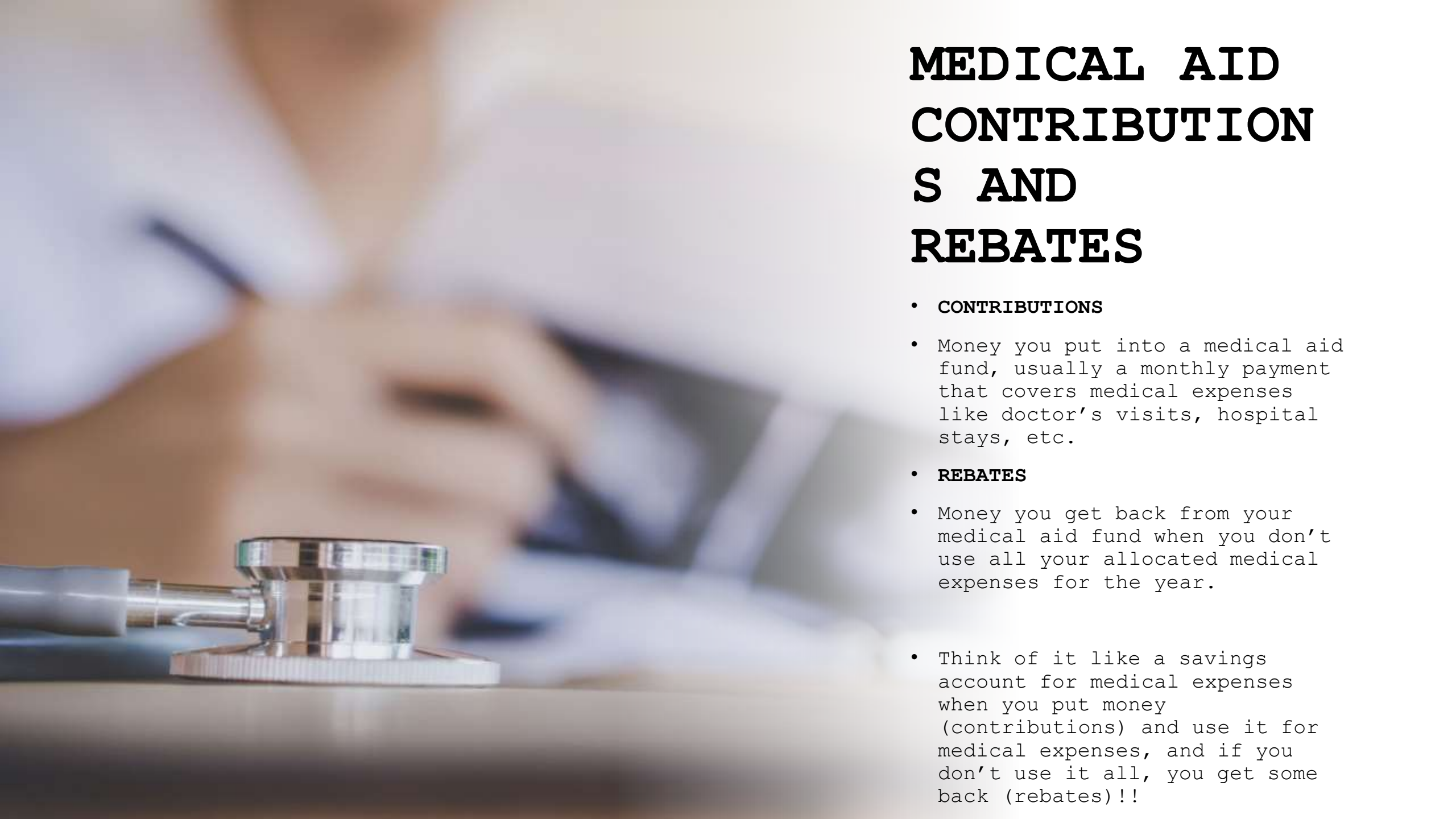
TAX LITERACY AND ITS IMPORTANCE TO YOUNG PEOPLE

- **TAX LITERACY**

- Tax literacy is understanding how taxes work and how they affect us.
- Think of tax as a shared bill payed by working citizens for the benefits provided by the government such as transportation, schools, hospitals, fire departments, etc.

- **TAX LITERACY IS CRUTIAL TO YOUNG PEOPLE BECAUSE:**

- As they start working , it will help them manage their income and make informed decisions
- Understanding tax benefits and deductions for education and career development can help them save money.
- Will be helpful in avoiding unnecessary debts and penalties.
- Can also help them secure their financial future through early retirement savings.



MEDICAL AID CONTRIBUTIONS AND REBATES

- **CONTRIBUTIONS**

- Money you put into a medical aid fund, usually a monthly payment that covers medical expenses like doctor's visits, hospital stays, etc.

- **REBATES**

- Money you get back from your medical aid fund when you don't use all your allocated medical expenses for the year.
- Think of it like a savings account for medical expenses when you put money (contributions) and use it for medical expenses, and if you don't use it all, you get some back (rebates)!!

FRINGE BENEFIT OF MEDICAL AID CONTRIBUTIONS AND REBATES

- **MEDICAL AID CONTRIBUTIONS**
- **TAX BENEFITS** - Contributions are tax-deductible, reducing your taxable income
- **ACCESS TO MEDICAL CARE** - Contributions fund your medical aid, ensuring you guaranteed access to healthcare services when needed.
- **ADDITIONAL BENEFITS** - Some schemes offer extra benefits like gym memberships or wellness programs.
- **PEACE OF MIND** - Knowing you have medical coverage can reduce stress and anxiety as you know you will always be medically taken care of.
- **MEDICAL AID REBATES**
- **CASH BACK** - Rebates puts money back in your pocket, which can be used to fund other expenses.
- **SAVINGS OPPORTUNITY** - Rebates can be saved for future medical expenses or other purposes
- **INCREASED DISPOSABLE INCOME** - Rebates can be used for non-essential expenses, increasing disposable income.
- **REDUCED FINANCIAL BURDEN** - Rebates help offset medical expenses which reduces financial stress



WHO IS ELIGIBLE FOR MEDICAL AID CONTRIBUTIONS



INCLUDES :

EMPLOYEES- Many employers offer medical aid schemes as an employee benefit

RETIREES- May be eligible for medical aid schemes and rebates, depending on the scheme.

UNEMPLOYED INDIVIDUALS- May be eligible for medical aid schemes or rebates through government programs or non-profit organisations

CHILDREN- Dependants of eligible members can often be covered under family medical aid schemes

PEOPLE WITH DISABILITIES- May be eligible for specialized medical aid schemes or rebates

WHO IS ELIGIBLE FOR MEDICAL AID REBATES

To be eligible for rebates, individuals must typically:

- Contribute to a medical aid scheme.
- Meet specific scheme requirements.
- Submit claims and receipts for medical expenses.
- Meet income threshold for tax benefits or subsidies.
- Reside in a specific region or country depending on the scheme.

WHEN DOES THE MEDICAL AID CONTRIBUTIONS AND REBATES APPLY



MEDICAL AID CONTRIBUTIONS

DURING EMPLOYMENT

- Contributions are usually deducted from your pay-check during your employment

UPON RETIREMENT

- Some schemes allow contributions to continue or offer retiree medical aid plans

WHEN SELF EMPLOYED

- Contributions can be made as a self-employed individual

DURING OPEN ENROLLMENTS

- Some schemes offer open enrolment periods for new members or plan changes

WHEN EXPERIENCING A QUALIFYING LIFE EVENT

- Events such as marriage, birth, or loss of coverage

MEDICAL AID REBATES

AFTER CLAIM PROCEEDS

- Rebates are usually processed after a specified claims period.

WHEN SWITCHING SCHEMES

- You may be eligible for a rebate when changing medical aid schemes

DURING TAX SEASON

- Rebates may be claimed as a tax deduction or credit

WHEN REACHING A MILESTONE

- Some schemes offer rebates for reaching certain milestones

IN CASE OF OVERPAYMENTS

- Rebates may be issued if you've overpaid contributions

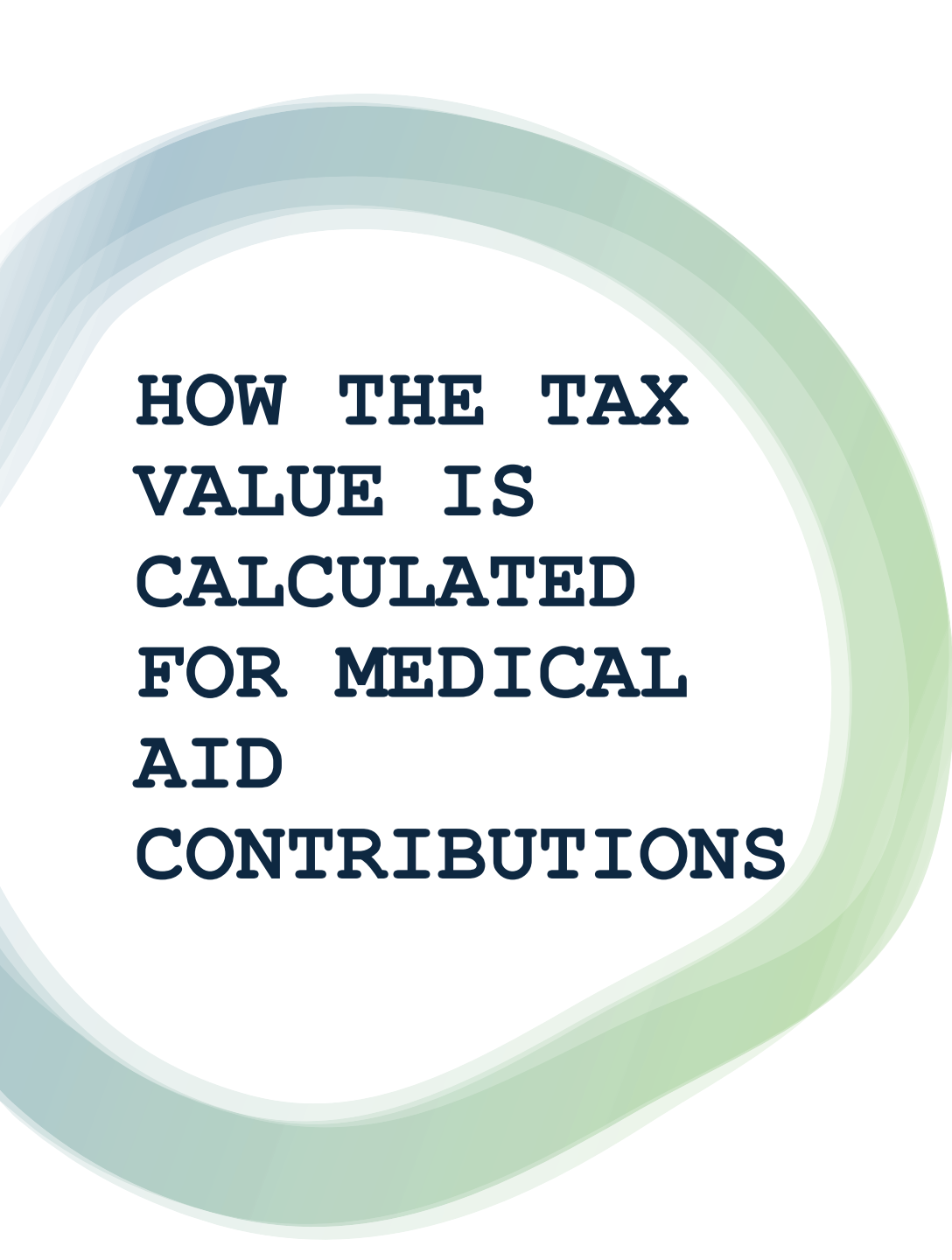
TAX IMPLICATIONS OF MEDICAL AID CONTRIBUTIONS AND REBATES

- Tax deductions: Contributions are tax-deductible, reducing your taxable income
- Payroll tax savings: Contributions are made before payroll taxes which reduces your tax liability
- Income tax savings: Contributions lower your taxable income, resulting in income tax savings.

2. FOR REBATES

- Tax free income: Rebates are typically tax free, increasing your disposable income
- Reduced tax liability: Rebates can reduce your tax liability and can even result in a tax refund
- Tax credits: Some medical aid schemes offer tax credits for rebates, which can offset the tax owed.





HOW THE TAX VALUE IS CALCULATED FOR MEDICAL AID CONTRIBUTIONS

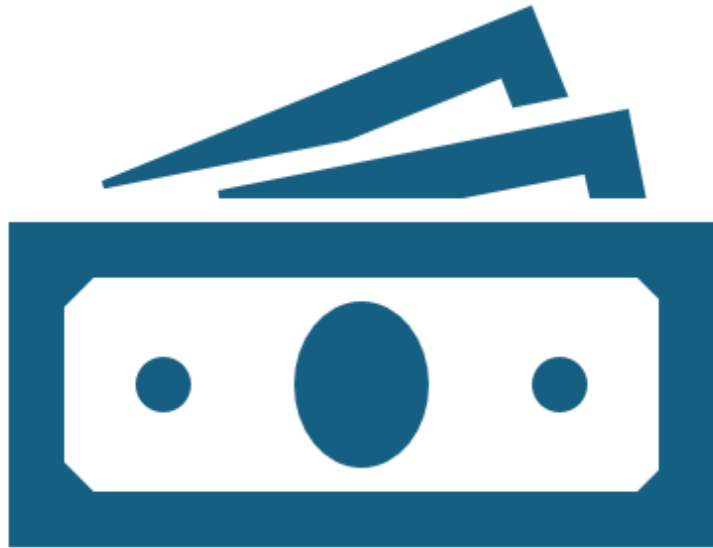
**ONLY IF YOU CONTRIBUTE TO MEDICAL
AID SCHEME**

PART A :

- R364 for taxpayer
- R728 for taxpayer + 1 dependant
- R728 for taxpayer + 1 dependant +
R246 for each additional dependant
- Fees are paid for each month

PART B :

- Qualifying medical expenses



HOW THE TAX VALUE IS CALCULATED FOR THE MEDICAL AID REBATES

PRIMARY REBATES – R17 235

- Applies to persons of 65 years & less

SECONDARY REBATES – R9 444

- Applies to persons over 65 but younger than 75 years

TERTIARY REBATES – R3 145

- Applies to persons over the age of 75

IMPACT OF MEDICAL AID CONTRIBUTIONS AND REBATES ON TAXABLE INCOME



Contributions and rebates may impact your taxable income threshold, potentially affecting your tax bracket by reducing your taxable income or decreasing your tax liability

Medical aid contributions and rebates interact with other tax deductions such as medical expenses, which impact your taxable income

Other tax factors such as medical expenses, charitable donations or retirement contributions also interact with medical aid contributions and rebates to impact your tax bracket

MEDICAL AID CONTRIBUTIONS

PROS

- Preventative care - contributions may cover preventative care services, promoting early detection and treatment.
- Network access - contributions may grant access to a network of healthcare providers
- Mental health benefits - contributions may cover mental health services

CONS

- Paperwork and administration - contributions may require paperwork and administrative tasks
- Scheme changes - contributions may be affected by scheme changes or termination
- Waiting times - contributions may be subject to waiting times for certain services

MEDICAL AID REBATES

PROS

- Flexibility – rebates may offer flexibility in how they are used
- Savings for future expenses – rebates may be saved for future medical expenses
- Supplements income – rebates may supplement income for medical expenses

CONS

- Rebate timing – rebates may be paid out after a delay
- Schemes rules – rebates may be subject to schemes rules and changes
- Claims documentation – rebates may require documentation and paperwork

TIPS ON MEDICAL AID CONTRIBUTIONS



Review your coverage and ensure you have adequate coverage for your needs



Choose a suitable plan that aligns with your health requirements and budget



Take advantage of your tax benefits and claim tax deductions for medical aid contributions



Consider employer contributions, if available, take advantage of employer contributions towards your medical aid



Remember to assess your coverage and adjusted as needed

ADVICE ON MEDICAL AID REBATES

- Understand rebate criteria by knowing what qualifies you for rebates
- Claim rebates by submitting the required documentation
- Apply rebates towards medical expenses or save for future needs
- Participate in wellness programs to earn rebates
- Know how your rebates are calculated and what expenses are eligible
- Rebates structures can change, so stay informed to maximise your benefits.



ADDITIONAL RESOURCES

- These resources provide a wealth of information on medical aid contributions and rebates, including explanations, examples, and FAQs

VIDEOS : On YouTube

1. "Medical Aid Explained" by Discovery Health
2. "How Medical Aid Rebates Work" by Bonitas Medical Fund
3. "Medical Aid Contributions and Rebates" by Momentum Health

BLOGS

1. "The Medical Aid Guide" by Medical Aid Advice
2. "Health and Awareness" by SA Medical Aid
3. "Medical Aid And Rebates" by Discovery Health