

## MediTax FAQs

### What is included in the Bloom MediTax product?

Bloom offers two tiers of MediTax to its customers, Basic MediTax, and Premium MediTax.

Bloom's Basic Meditax option includes completing a full breakdown of the taxpayer's qualifying additional medical expenses for customers to submit this information through to SARS with their annual income tax return.

Bloom's Premium MediTax option does all the above and includes assistance to customers with claiming these amounts back from SARS in your annual income tax return, as well as the cost of a fully qualified accountant submitting your tax return. For this benefit to be available, you will need to be up to date on your MediTax fees for the year of assessment.

A nominal amount can be debited to cover the cost of submitting your return if your paid fees do not cover the full assessment period. Please email [meditax@bloom.insure](mailto:meditax@bloom.insure) to make this request.

### What if my tax return is complicated?

MediTax's consultants are experienced in completing even the most complex tax returns. Please note that the standard version of MediTax is designed for handling basic tax returns and there may be an additional fee for particularly complicated returns. Our tax specialists will contact all customers with more complex returns (i.e., multiple IRP5s, commission earners etc.).

### If I am not on a medical scheme, can I still claim Additional Medical Tax Credit (AMTC)?

AMTC can be claimed by taxpayers and any of their dependants if these expenses qualify and fall inside the year of tax assessment.

### What is a qualifying medical expense?

Qualifying medical expenses fall into four categories:

1. Qualifying medical expenses, paid by the taxpayer, and not recovered by the Health4Me, incurred inside the Republic of South Africa.
  - a. medical practitioner, dentist, optometrist, homeopath, naturopath, osteopath, herbalist, physiotherapist, chiropractor, or orthopaedist for professional services rendered or medicines supplied to the person or any dependant of the person;
  - b. nursing home or hospital or any duly registered or enrolled nurse, midwife or nursing assistant (or to any nursing agency in respect of services of such nurse, midwife or nursing assistant) in respect of the illness or confinement of the person or any dependant of the person;
  - c. pharmacist for medicines supplied on the prescription of any person mentioned in subparagraph (i) for the person or any dependant of the person
2. Qualifying medical expenses incorrect outside the Republic of South Africa.
  - a. Expenses for medical services and supplies that have been incurred outside South Africa may qualify if they –
    - i. have been paid during that year of assessment, and
    - ii. are similar to qualifying medical services rendered or medicines supplied in South Africa.

3. Qualifying medical expenses for a disability.
  - a. Qualifying expenses in relation to disabilities, incurred and paid for by the taxpayer in as a result of a disability, qualifies for an AMTC.
4. Qualifying medical expenses for a physical impairment.
  - a. "Physical impairment" is regarded as a disability that is less restraining than a "disability" as defined.
  - b. Physical impairments will, for example, include –
    - i. bad eyesight;
    - ii. hearing problems;
    - iii. paralysis of a portion of the body; and
    - iv. brain dysfunctions such as dyslexia, hyperactivity or lack of concentration

### **How much can be claimed back on AMTC?**

The calculation of the AMTC for taxpayers is determined based on the following categories:

1. Taxpayers aged 65 years and older
  - a. 33,3% of qualifying medical expenses paid (out-of-pocket expenses).
2. Taxpayer, his or her spouse or his or her child is a person with a disability.
  - a. 33,3% of qualifying medical expenses paid (out-of-pocket expenses).
3. All other taxpayers
  - a. 25% of qualifying medical expenses paid (out-of-pocket expenses) less 7.5% of the individuals taxable income for the tax period.

### **How do I claim AMTC?**

All persons who are registered for income tax, can claim back for qualifying medical expenditure that is not covered by their medical scheme or health insurance plan. Bloom's MediTax consultants will assist customers with collation of all slips proving qualifying medical expenditure and will submit basic tax returns provided the member's fees are paid up for the assessment year in question.

Below includes the documentation that must be retained for audit purposes when an AMTC is claimed for a year of assessment:

- A completed list of amounts not submitted to or recoverable from the taxpayer's medical scheme, together with proof of such amounts incurred and paid.
- In cases where receipts have been made out in the name of a dependant, SARS will accept a sworn affidavit in which the taxpayer indicates that the qualifying expenses claimed for the dependant, have actually been paid by the taxpayer (either directly or indirectly).
- A duly completed and signed Confirmation of Disability (ITR-DD) form, if applicable. The documentation, as well as receipts, must not be submitted with the annual income tax return, but must be stored and made available on SARS's request, if a taxpayer is required to substantiate the medical claims. A taxpayer is required to keep records such as receipts, paid cheques, bank statements, deposit slips and invoices for five years from the date of submission of the return.