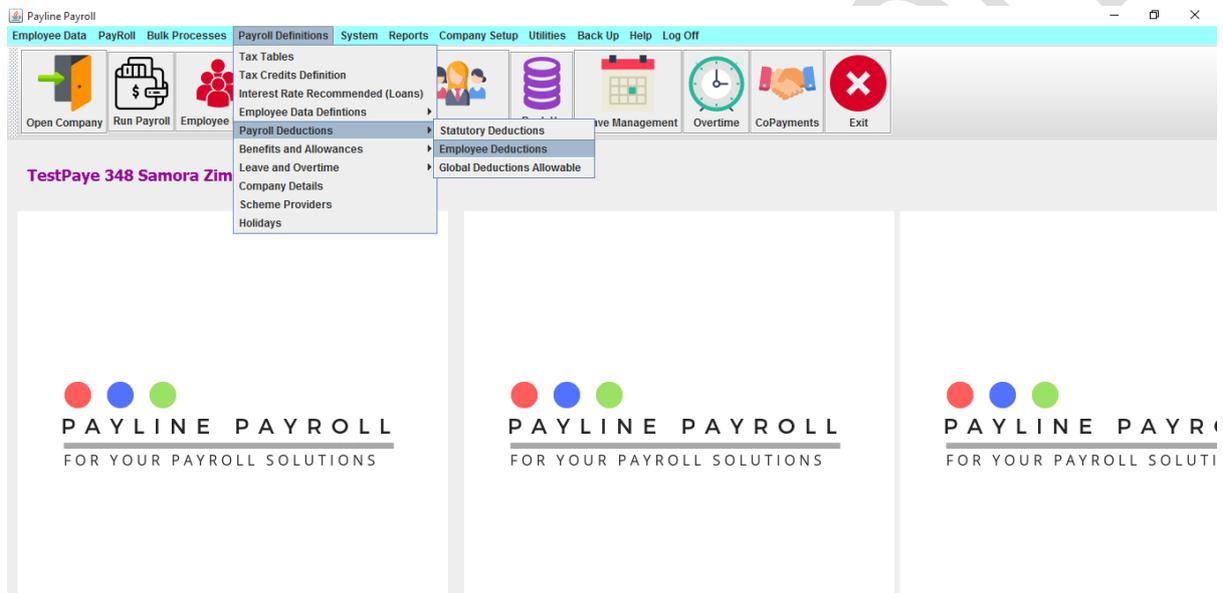


# How to capture Medical Aid Deductions and Medical Expenses

## 1 Medical Aid

### 1.1 Define Medical Aid

To capture medical aid for employees firstly the Medical Aid should be defined in the system this is accessed by the menu Payroll Definitions>Payroll Deductions> Employee Deductions



To define the Medical Aid deduction, enter the Name and Description of the deduction "Medical Aid Deduction". Select the account category from the drop down list "Other Deductions".

The screenshot shows the 'Deductions' form. The 'Name' field contains 'Medical Aid Deduction' and the 'Description' field contains 'Medical aid for employees'. The 'Account Category' dropdown is set to 'Medical Expenses Credit'. The 'Apply Tax Credits' checkbox is checked, and the '100% Employer Contribution e.g Medical Aid, Medical Expenses' radio button is selected. The 'Exempt Percentage' is set to 50.0. The 'Save' button is highlighted.

ID	Name	Description	Tax Exemption	Minimum Exempt Am...	Maximum Exempt A...	Exempt Percentage	TC	AD
33	Retirement Annuity F...	Continuation reirem...	YES	0	2,700	0.0	0	1
35	Pension Fund Contri...	Pension	YES	0	0	30.0	0	1
36	Salary Recovery	Recovery of salary	NO	0	0	0.0	0	0
39	Funeral Assurance	Payment of Funeral ...	NO	0	0	0.0	0	0
38	Overtime Supper	Supper	NO	0	0	0.0	0	0
37	Canteen	Food for employees	NO	0	0	0.0	0	0
34	Loan	Loans to employees	NO	0	0	0.0	0	0
31	Arrears Pension Con...	Arrears on pension p...	YES	0	1,800	8.0	1	0
32	Medical Aid Deduction	Medical aid for empl...	YES	0	0	50.0	2	0

## Account Category

ID	Name	Description	Tax Exemption	Minimum Exempt Am...	Maximum Exempt A...	Exempt Percentage	TC	AD
33	Retirement Annuity F...	Contribution retirem...	YES	0	2,700	0.0	0	1
35	Pension Fund Contribu...	Pension	YES	0	0	30.0	0	1
36	Salary Recovery	Recovery of salary	NO	0	0	0.0	0	0
39	Funeral Assurance	Payment of Funeral...	NO	0	0	0.0	0	0
38	Overtime Supper	Supper	NO	0	0	0.0	0	0
37	Canteen	Food for employees	NO	0	0	0.0	0	0
34	Loan	Loans to employees	NO	0	0	0.0	0	0
31	Arrears Pension Con...	Arrears on pension p...	YES	0	1,800	8.0	1	0
32	Medical Aid Deduction	Medical aid for empl...	YES	0	0	50.0	2	0

Ensure that account category as Medical Expenses

Select the selections under Apply Tax Credits as shown above

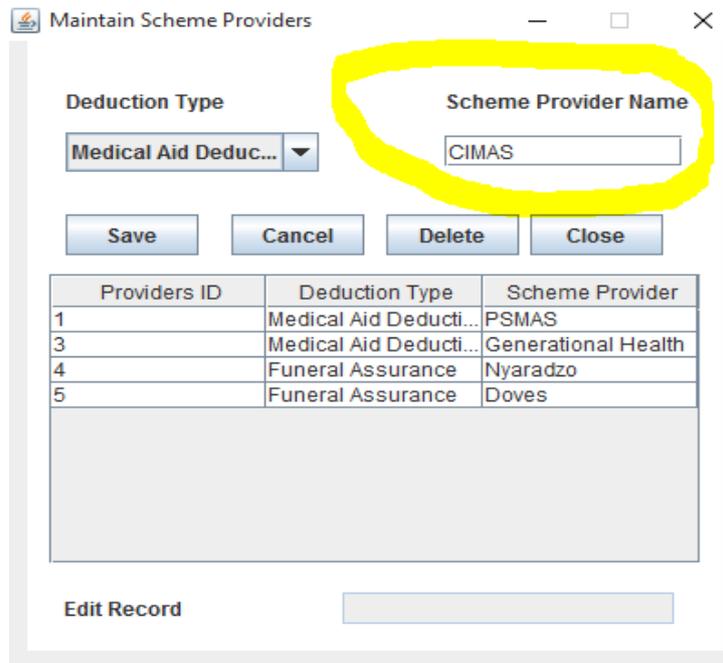
- Employee Contribution
- 100% Employer Contribution e.g, Medical Aid, Medical Expenses
- The credit for this category is a total of 50% for "medical expenses" paid for. To apply Medical Aid contribution tax credits > select the tick box next to **Apply Tax Credits**. Under **Exempt Percentage(%)** enter number 50. Click Save

ID	Name	Description	Tax Exemption	Minimum Exempt Am...	Maximum Exempt A...	Exempt Percentage	TC	AD
33	Retirement Annuity F...	Contribution retirem...	YES	0	2,700	0.0	0	1
35	Pension Fund Contribu...	Pension	YES	0	0	30.0	0	1
36	Salary Recovery	Recovery of salary	NO	0	0	0.0	0	0
39	Funeral Assurance	Payment of Funeral...	NO	0	0	0.0	0	0
38	Overtime Supper	Supper	NO	0	0	0.0	0	0
37	Canteen	Food for employees	NO	0	0	0.0	0	0
34	Loan	Loans to employees	NO	0	0	0.0	0	0
31	Arrears Pension Con...	Arrears on pension p...	YES	0	1,800	8.0	1	0
32	Medical Aid Deduction	Medical aid for empl...	YES	0	0	50.0	2	0

## 1.2 Defining Scheme Providers

To define the Medical Aid Scheme providers in the system this is accessed by the menu **Payroll Definitions>Scheme Providers**.

Once the window for defining scheme providers has opened, select the Deduction Type “**Medical Aid Deduction**”. Enter the scheme provider under “**Scheme Provider Name**” e.g. CIMAS and click **Save**.



Maintain Scheme Providers

Deduction Type: Medical Aid Deduc...  
Scheme Provider Name: CIMAS

Buttons: Save, Cancel, Delete, Close

Providers ID	Deduction Type	Scheme Provider
1	Medical Aid Deducti...	PSMAS
3	Medical Aid Deducti...	Generational Health
4	Funeral Assurance	Nyaradzo
5	Funeral Assurance	Doves

Edit Record

After you save the Scheme Provider Name records saved will appear.

## 1.3 Defining Employee Dependant

To define the Employee Dependants in the system this is accessed by the menu **Payroll Definitions>Employee Data Definitions > Employee Dependents Types**.

To enter a dependent click below **Copayment Dependent** enter the type of dependent e.g Self, Mother. Once the dependent type has been entered click save to and the dependent will appear in the list below.



# PAYLINE PAYROLL

FOR YOUR PAYROLL SOLUTIONS

Dependent	UserID
Father	postgres
Mother	postgres
Children	postgres
Nephew	postgres
Spouse	postgres
Niece	postgres
Aunt	postgres

## 1.4 Medical Aid Deduction Co-Payments

To allocate the Medical Aid the Employee Dependants in the system this is accessed by the menu Employee Data>Co-Payments



# PAYLINE PAYROLL

FOR YOUR PAYROLL SOLUTIONS

Co-Payments

Monthly  Fortnightly  Weekly

First Name  Search

Employee Code	First Name	Last Name	National ID
1	Sarina	Mortimer	23-12-3456790
5	Ebonie	Knott	23-1234-G45
6	Raya	Maynard	12345678
2	Rodger	Brogdon	12-234444-D34
3	Mabel	Shifflett	12-2097890-...
7	Victor	Stanton	290qww

Scheme

CoPayments  Active

System ID	Scheme Nu...	Deduction ...	Scheme Pr...	Start Date
5	890	Arrears Pe...		2020-09-01
2	123	Medical Aid...	PSMAS	2020-06-01

Edit Record  Detail ID

New Scheme/Update Scheme

Employee Code  Employee

Deduction Type  32 Status

Scheme Provider  Scheme Name

Scheme Number

Start Date  End Date

Scheme Details

Copayment  Employee Amount  Employer Amo...  Active  Commit

Employee Code	System ID	Detail ID	CoPayment	Employee Amount	Employer Amount	Active
7	2	4	Father	100	100	Active
7	2	6	Children	50	50	Active
7	2	5	Mother	100	100	Active

Save Cancel Delete Close

Select Employee as shown above. In the section labelled **Edit Records** select the Deduction Type Medical Aid Deduction. Select the Scheme Provider from the previously defined . Enter Scheme Name and Scheme Number. In the section for Start Date enter the date the scheme was started.

## 1.5 Scheme Details

In the Scheme details section you will select the dependant type to receive the **Copayment** e.g. Father, Mother or in the case of the employee select Self. Enter the amounts to be paid by the Employee in **Employee Amount** and the Employees contribution in Employer Amount. After confirming the information has been captured correctly Click Commit and Click Save. The captured **Copayment** should look similar to the below. Repeat the above steps for other dependents.

Scheme Details

Copayment  Employee Amount  Employer Amo...  Active  Commit

Employee Code	System ID	Detail ID	CoPayment	Employee Amount	Employer Amount	Active
7	2	4	Father	100	100	Active
7	2	6	Children	50	50	Active
7	2	5	Mother	100	100	Active

Save Cancel Delete Close



# PAYLINE PAYROLL

FOR YOUR PAYROLL SOLUTIONS

Once all details are entered click save

Co-Payments

Monthly
  Fortnightly
  Weekly

First Name

Employee Code	First Name	Last Name	National ID
1	Sarina	Mortimer	23-12-3456790
5	Ebonie	Knott	23-1234-G45
6	Raya	Maynard	12345678
2	Rodger	Brogdon	12-234444-D34
3	Mabel	Shifflett	12-2097890-...
7	Victor	Stanton	290qww

Scheme

CoPayments

System ID	Scheme Nu...	Deduction ...	Scheme Pr...	Start Date
5	890	Arrears Pe...		2020-09-01
2	123	Medical Aid...	PSMAS	2020-06-01

Edit Record  Detail ID

New Scheme/Update Scheme

Employee Code

Deduction Type

Scheme Provider

Scheme Number

Start Date

End Date

Payline Payroll

Record Saved Successfully

Scheme Details

Copayment 
 Employee Amount 
 Employer Amo... 
 Active

Employee Code	System ID	Detail ID	CoPayment	Employee Amount	Employer Amount	Active
7	2	4	Father	100	100	Active
7	2	6	Children	50	50	Active
7	2	5	Mother	100	100	Active

## 1.6 Run Payroll

Run payroll and if the scheme has been defined in the appropriate payroll run it will appear in the payslip as shown below

<b>Earnings</b>		<b>Deduction</b>	
Salary	12,500.00	Arrears Pension Contribution	100.00
Accommodation	120.00	<b>Medical Aid Deduction</b>	<b>250.00</b>
Acting Allowance	200.00	NSSA Pension	24.50
* Arrears Pension Contribution Benefit	100.00	AIDS Levy	80.29
Emergency allowance	340.00	NEC Medical Contributions	187.50
Telephone Allowance	570.01	PAYE	2,676.38
<b>Total Earnings</b>	<b>13,830.01</b>	<b>Total</b>	<b>3,318.67</b>
		<b>Net Salary</b>	<b>10,411.34</b>

## 2 Medical Expenses Paid by Employer

Medical expenses paid for the employee by the employer are captured the same way as medical aid using the **Copayment** screen.

\*\* For Medical expenses which are only paid by employees on their own use the **Individual Deduction** screen.

### 2.1 Define the Deduction to be Paid by Employee

ID	Name	Description	Tax Exemption	Minimum Exempt Am.	Maximum Exempt A.	Exempt Percentage	TC	AD
33	Retirement Annuity F...	Contribution retirem...	YES	0	2,700	0.0	0	1
35	Pension Fund Contribu...	Pension	YES	0	0	30.0	0	1
36	Salary Recovery	Recovery of salary	NO	0	0	0.0	0	0
39	Funeral Assurance	Payment of Funeral...	NO	0	0	0.0	0	0
38	Overtime Supper	Supper	NO	0	0	0.0	0	0
37	Canteen	Food for employees	NO	0	0	0.0	0	0
34	Loan	Loans to employees	NO	0	0	0.0	0	0
31	Arrears Pension Con...	Arrears on pension p...	YES	0	1,800	8.0	1	0
32	Medical Aid Deduction	Medical aid for empl...	YES	0	0	50.0	2	0

Ensure that the expense is defined with Apply Tax credits for all options

### 2.2 Capture the Tax Credits

ID	Name	Description	Tax Exemption	Minimum Exempt Am.	Maximum Exempt A.	Exempt Percentage	TC	AD
36	Salary Recovery	Recovery of salary	NO	0	0	0.0	0	0
39	Funeral Assurance	Payment of Funeral...	NO	0	0	0.0	0	0
38	Overtime Supper	Supper	NO	0	0	0.0	0	0
37	Canteen	Food for employees	NO	0	0	0.0	0	0
34	Loan	Loans to employees	NO	0	0	0.0	0	0
31	Arrears Pension Con...	Arrears on pension p...	YES	0	1,800	8.0	1	0
32	Medical Aid Deduction	Medical aid for empl...	YES	0	0	50.0	2	0
40	Medical Expanse 1	Employer Paid Expe...	YES	0	0	50.0	2	0

Capture the tax credits portion with 50% as shown above or the applicable percentage on the expense as stipulated by regulations

\*\* Ensure the account category is correct as shown above.



# PAYLINE PAYROLL

FOR YOUR PAYROLL SOLUTIONS

## 2.3 Process in Copayment

Process medical expenses in the **Copayment** screen. Capture the amount in the **Copayment Details** with the appropriate amounts.

Co-Payments

Monthly  Fortnightly  Weekly

First Name

Employee Code	First Name	Last Name	National ID
1	Sarina	Mortimer	23-12-3456790
5	Ebonie	Knott	23-1234-G45
6	Raya	Maynard	12345678
2	Rodger	Brogdon	12-234444-D34
3	Mabel	Shifflett	12-2097890-...
7	Victor	Stanton	290qww

Scheme

CoPayments

System ID	Scheme Nu...	Deduction ...	Scheme Pr...	Start Date
5	890	Arrears Pe...		2020-09-01
2	123	Medical Aid...	PSMAS	2020-06-01

Edit Record  Detail ID

**New Scheme/Update Scheme**

Employee Code  Employee

Deduction Type  Status

Scheme Provider  Scheme Name

Scheme Number

Start Date  End Date

**Scheme Details**

CoPayment  Employee Amount  Employer Amo...  Active

Employee Code	System ID	Detail ID	CoPayment	Employee Amount	Employer Amount	Active
7	0	0	Self	450.00	.00	Active

## 2.4 Run the Payroll

Run the payroll and the system will pick up the medical expense however will not appear as a benefit as according to the Income Tax Third Schedule it is exempt from income tax

## 3 Medical Expenses Paid by Employee

Medical expenses paid by the employee for their own medical expense are captured as an individual deduction using the Individual Deduction screen.

### 3.1 Define the Deduction to be Paid by Employee

ID	Name	Description	Tax Exemption	Minimum Exempt Am.	Maximum Exempt A.	Exempt Percentage	TC	AD
31	Arrears Pension Con...	Arrears on pension p...	YES	0	1,800	8.0	0	0
33	Retirement Annuity F...	Contribution retirem...	YES	0	2,700	0.0	0	1
35	Pension Fund Contri...	Pension	YES	0	0	30.0	0	1
36	Salary Recovery	Recovery of salary	NO	0	0	0.0	0	0
38	Overtime Supper	Supper	NO	0	0	0.0	0	0
37	Canteen	Food for employees	NO	0	0	0.0	0	0
34	Loan	Loans to employees	NO	0	0	0.0	0	0
39	Funeral Assurance	Payment of Fluneral ...	NO	0	0	0.0	0	0
32	Medical Aid Deduction	Medical aid for empl	YES	0	0	50.0	2	0

Ensure that the expense is defined with Apply Tax credits for all options. Do not select 100% Employer Contribution e.g Medical Aid , Medical Expenses.

### 3.2 Capture the Tax Credits

Capture the tax credits portion with 50% as shown above or the applicable percentage on the expense as stipulated by regulations

\*\* Ensure the account category is correct as shown above.

### 3.3 Process in Individual Deductions

Process medical expenses in the **Individual Deduction** screen. Capture the amount in the **Regular Continuous Deductions** with the appropriate amounts , start and end dates.



# PAYLINE PAYROLL

FOR YOUR PAYROLL SOLUTIONS

Individual Deductions

Search Employee

Monthly  Fortnightly  Weekly

Employee Name Search

Code	Name	Surname	National ID
1	Sarina	Mortimer	23-12-3456790
2	Rodger	Brogdon	12-234444-D34
3	Mabel	Shifflett	12-2097890-R34
4	Huong	Loflin	63-789012-G45

Code: 3 Name: Mabel

Edit Record: 10

Deductions Based on Global Maximum Amount

Regular Continuous Deductions

Deduction Type: Arrears Pension Contr... 31

Deduction Type: Medical Expe... 41

Description: Employee Expende

Global Amount: 0.00 Monthly Fee: 0.00

Monthly Payment: 250

Apply Interest:  Yes  No Number of Months: 0

Start Date: September 1, 2020

End Date: September 30, 2020

Interest Rate: 0.0 Total Amount to Be Paid: 0.00

Administration Fee: 0.0

Monthly Payment: 0.00 View Amortization

Periodic Payroll Deduction Amount: 0.00

Status: Active

Execute: Save, Cancel, Delete, Close

Once all details are entered click save

### 3.4 Run the Payroll

Run the payroll and the system will pick up the employee Medical Expende Employee under deductions.

<b>Deduction</b>	
Canteen	250.00
Medical Aid Deduction	145.00
Medical Expende Employee	250.00
NSSA Pension	24.50
AIDS Levy	291.82
NEC Medical Contributions	525.00
PAYE	9,727.42
<b>Total</b>	<b>11,213.74</b>
<b>Net Salary</b>	<b>25,246.26</b>