



COUNCIL FOR MEDICAL SCHEMES

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**BROKERS AND BROKER ORGANISATIONS
PRINCIPAL OFFICERS
BOARDS OF TRUSTEES OF MEDICAL
SCHEMES
ADMINISTRATORS OF MEDICAL SCHEMES**

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Reference: Circular No 22
Date: 23 July 2007

CIRCULAR No 22 OF 2007

INCREASE IN FEES PAYABLE TO BROKERS WITH EFFECT FROM 1 AUGUST 2007

We hereby confirm that the Minister of Health has approved an increase in the maximum amount payable to brokers in terms of Section 65 of the Medical Schemes Act, 1998, Act No 131 of 1998 to R60.70. Government Gazette No 30075 dated 20 July 2007, is appended hereto for your information. Since broker fees are payable on a monthly basis, and since the Government Notice does not apply retrospectively, the effective date of implementation in respect of contributions received by medical schemes is with effect from 1 August 2007.

Regulation 28(2) published in terms of the Medical Schemes Act, now effectively reads as follows:

"subject to sub-regulation (3), the maximum amount payable to a broker by a medical scheme in respect of the introduction of a member to a medical scheme by that broker and the provision of ongoing service or advice to that member, shall not exceed –

- (a) *R60.70, plus value added tax (VAT) per month, or such other monthly amount as the Minister shall determine annually in the Government Gazette, taking into consideration the rate of normal inflation; or*
- (b) *3% plus value added tax (VAT) of the contributions payable in respect of that member, whichever is the lesser."*

Yours sincerely

REGISTRAR OF MEDICAL SCHEMES

Chairperson: Prof. William Pick Vice-Chairperson: Dr Saadiq Kariem Chief Executive & Registrar: Patrick Masobe

A STATUTORY BODY ESTABLISHED IN TERMS OF THE MEDICAL SCHEMES ACT, 1998 (ACT 131 OF 1998)

No. R. 640

20 July 2007

MEDICAL SCHEMES ACT, 1998 (ACT No. 131 OF 1998)

FEEs PAYABLE TO BROKERS

The Minister of Health has, in terms of section 65 of the Medical Schemes Act, 1998 (Act No. 131 of 1998), read with regulation 28 of the regulations made in terms of that Act, as amended, determined R 60,70, plus value added tax (VAT) as an amount that is payable by medical schemes to brokers with effect from the date of publication of this Notice.


DR ME TSHABALALA-MSIMANG
MINISTER OF HEALTH