



CIRCULAR

Reference: Broker Fees
Contact person: Danie Kolver
Tel: 0861 123 267
E-mail: d.kolver@medicalschemes.com
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Circular 4 of 2019: Adjustment on fees payable to brokers with effect from 1 January 2019

The Council for Medical Schemes (CMS) hereby confirms that the Minister of Health, Dr Aaron Motsoaledi, has approved an increase on the maximum amount payable to brokers in terms of Section 65 of the Medical Schemes Act, 131 of 1998, to R94.77 plus value added tax (VAT).

Government Gazette, [Notice No. 42185](#) dated 25 January 2019 is appended hereto for your information. The effective date of implementation in respect of contributions received by medical schemes is 1 January 2019 and beyond.

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) R94.77, 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."



Danie Kolver
General Manager: Accreditation
Council for Medical Schemes