



CIRCULAR

Reference: Broker Fees  
Contact person: Hannelie Cornelius  
Tel: 0861 123 267  
E-mail: [h.cornelius@medicalschemes.com](mailto:h.cornelius@medicalschemes.com)  
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## Circular 7 of 2020: Adjustment to fees payable to brokers with effect from 1 January 2020

The Council for Medical Schemes (CMS) hereby confirms that the Minister of Health, Dr ZL Mkhize, 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 R98.85 plus value added tax (VAT).

*Government Gazette*, Notice No. 42980 dated 10 December 2019 is appended hereto for your information. The effective date of implementation in respect of contributions received by medical schemes is 1 January 2020 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 –*

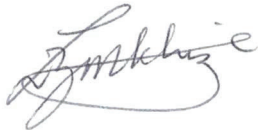
- (a) *R98.85, plus value added tax (VAT) per month, or such other monthly amount as the Minister shall determine annually in the Government Gazette, taking into consideration the rate of normal inflation; or*
- (b) *3% plus value added tax (VAT) of the contributions payable in respect of that member, whichever is the lesser."*

Yours sincerely

Hannelie Cornelius  
Acting General Manager: Accreditation  
Council for Medical Schemes

**DEPARTMENT OF HEALTH****NOTICE 24 OF 2020****MEDICAL SCHEMES ACT, 1998 (ACT NO 131 OF 1998)****ADJUSTMENT TO 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) ("the Act"), read with Regulation 28(2)(a) of the Regulations in terms of the Medical Schemes Act, as amended, determined R98,85 plus Value Added Tax (VAT) as an amount that is payable by medical schemes to brokers with effect from 1 January 2020.



**DR Z.L MKHIZE, MP**  
**MINISTER OF HEALTH**  
DATE: 10/12/2019