

## WAGES: MEDICAL FUND TRANSACTIONS

Medical fund transactions can be added in various ways on an employee's payslip.

1. Where an employer makes a contribution towards the employee's medical fund, the following transactions should be used:

- **Medical aid contribution by employer** (only the employer's contribution), and

Description	Afr	UIF?	Repeat?	Item type	Gross	Cash	Taxable?	Code	IRP5 des
Loans repaid	Lenings	No	No	General	No	Yes	No		
Maintenance	Onderhou	No	Yes	General	No	Yes	No		
Meat	Vleis afre	No	No	General	No	Yes	No		
Medical aid contribution	Mediese	No	Yes	General	No	Yes	No	4005	Medical a
Medical aid contributions by employer	Mediese	Yes	Yes	General	No	Yes	Yes 100%	3810	Medical a

- **Medical aid contribution** (the full contribution) for a 100% deduction

Description	Afr	UIF?	Repeat?	Item type	Gross	Cash	Taxable?	Code	IRP5 des
Loans repaid	Lenings	No	No	General	No	Yes	No		
Maintenance	Onderhou	No	Yes	General	No	Yes	No		
Meat	Vleis afre	No	No	General	No	Yes	No		
Medical aid contribution	Mediese	No	Yes	General	No	Yes	No	4005	Medical a

This option is applicable where the employer is paying the contribution over to the medical aid.

2. Where an employee is liable for the medical aid's full contribution, but need the transactions to be reflected on his/her payslip to qualify for a tax credit, the following transactions should be used:

- **Medical aid contribution** (employee's contribution), and

Description	Afr	UIF?	Repeat?	Item type	Gross	Cash	Taxable?	Code	IRP5 des
Loans repaid	Lenings	No	No	General	No	Yes	No		
Maintenance	Onderhou	No	Yes	General	No	Yes	No		
Meat	Vleis afre	No	No	General	No	Yes	No		
Medical aid contribution	Mediese	No	Yes	General	No	Yes	No	4005	Medical a

- **Reimbursement: Medical/Pension** (add this item to the payslip items if not already in use)

Pension fund contributions by employee	Pensioen	Yes	Yes	General	No	Yes	Yes 100%	3601	Taxable i
Production bonuses/deficits	Produksie	Yes	No	General	Yes	Yes	Yes 100%	3601	Taxable i
Received	Reeds or	No	No	General	No	Yes	No		
Reimbursement medical/pension	Vergoed	No	Yes	General	No	Yes*	No		
Retrenchment package	Skeidings	No	No	General	No	Yes	Yes 100%	3907	Other lum

In the above instance, the employee will be paying the contribution over to the medical aid, and the transaction is shown on his/her payslip FOR TAX PURPOSES ONLY.