

Why you cannot afford to go without medical aid

The medical aid conversation can be a controversial one. Many look at the price tag and wonder if it is worth the expense and the inevitable hassle. Everyone knows that medical aid comes with paperwork and admin, but few recognise that it also comes with peace of mind and reassurance.

“Everyone should have a medical aid plan in place,” says Cathie Webb, Director, South African Payroll Association. “You may be healthy and well today, but there is no way of knowing what lies ahead in your future. You could receive a serious diagnosis, be involved in a car accident or even get bumped as you cross the road. Without a medical aid plan in place, you can end up in a lot of financial and physical trouble.”

Many medical institutions request a hefty upfront cash deposit when a patient arrives without medical aid. While the amount is generally a percentage of the anticipated cost of what will be done for you in hospital, it can amount to anything between R3 000 and R15 000 or more. Few people have this kind of money available to them at a moment’s notice, and you have to deal with this additional pressure during a period of stress.

A clever choice

Webb adds that medical cover can be adapted to suit each person’s personal profile and budget. Therefore, when selecting a medical aid, it’s best to examine your own risk profile and make a judgement call, especially if you have children.

“For someone who is young and healthy, a hospital plan is a very reasonable option, for example. You can also be clever around how your plan is structured - if your eyesight is failing, you can make sure you are covered by an optician well in advance, if you want to grow old with your own teeth, you need to ensure you are covered for dentistry,” says Webb.

She adds that it is also worth being aware of the fact that you do receive tax credits on your medical aid if you are earning a taxable income. “A recent amendment to the taxation law means that now everybody who contributes to medical aid receives the same tax credits, whereas previously those who paid more, benefitted more. Now it is all equalised in terms of tax, according to the number of people you pay for.”

For those who pay their medical aid contributions through their employer, the deductions should be shown on their payslip. This can then be used to assess the tax credit amounts at the end of the year as reflected on their IRP5 and to ensure all these credits have been taken into account.

It is well worth monitoring your payslip to stay on track of credits and deductions.

A long-term investment

While South Africa continues on its holding pattern around the ideal of National

Health Insurance, it is important for individuals to invest in their health. Purchase the best medical aid that budget allows and stay on top of its changes and regulations.

“People often think that medical aid pays for everything – it doesn’t,” says Webb. “It is a good idea to understand the rules of your medical aid so you know exactly what it does and does not cover. Also, just because you stay on the same medical aid year after year, your benefits may not stay the same so check in annually.”

There is, of course, another side to the medical aid coin – the employer. Often it is they who are suddenly expected to pay an unexpected medical bill or bail an employee out of a challenging health situation. While medical aid remains the remit of the individual, it is the business which is seen as the saviour in an emergency.

“I really do recommend that employers make it a condition of employment that their staff members have medical aid,” concludes Webb. “That way you know they are protected in the event of an emergency, and so are you.”

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MEDIA CONTACT: Idéle Prinsloo, 082 573 9219, idele@thatpoint.co.za,
www.atthatpoint.co.za

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