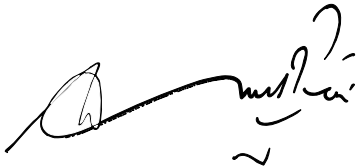

GENERAL NOTICE

PROPOSED LEVIES ON MEDICAL SCHEMES ISSUED IN TERMS OF SECTION 3(a) OF THE COUNCIL FOR MEDICAL SCHEMES LEVIES ACT (ACT 58 OF 2000)

The Council for Medical Schemes referred to in Section 1 of the Council for Medical Schemes Levies Act, 2000 (Act No. 58 of 2000), hereby proposes the imposition of levies on medical schemes, as set out in this Notice. The proposed levies are due to be imposed for the purpose of meeting the general regulatory and administrative costs of the Council for Medical Schemes and the function performed by the Registrar of Medical Schemes. The quantum of the levy has been determined on the basis of the Council's budget, and is also based on the number of principal members of medical schemes. The full budget can be viewed on the Council website www.medicalschemes.com.

Representation on the proposed levies may be made to the Council not later than 7 April 2008. Such representation must be forwarded to the Registrar of Medical Schemes, and marked for the attention of: Mr Dan Lehutjo, Private Bag X34, Hatfield, 0028, Fax number (012) 430 7644.

By order of the Council for Medical Schemes.



Prof. William Pick

Chairperson: Council for Medical Schemes.

Date: 29 February 2008

SCHEDULE

Definitions

1. In this notice, unless the context indicates otherwise –
 - i. “Council” means the Council for Medical Schemes referred to in the Act;
 - ii. “Levy year” means the period from 01 April 2008 to 31 March 2009 and, subject to the provision of this Notice and any amendments, substitution or repeal thereof, such corresponding period in succeeding year in respect of which levies are imposed;
 - iii. “Registrar” means the Registrar of Medical Schemes, appointed in terms of Section 18 of the Medical Schemes Levies Act, 1998 (Act No. 131 of 1998);
 - iv. “The Act” means the Council for Medical Schemes Levies Act, 2000 (Act No. 58 of 2000).

Proposed Imposition

2. In respect of a medical scheme registered in terms of section 20 of the Medical Schemes Act, 1998 (Act No. 131 of 1998), the proposed levy for the 2008/09 levy year shall be set at an amount of R13.90 per member per year, which shall be paid in two equal installments, the first of which shall be paid not later than 31 May of the levy year, and the second of which shall be paid not later than 31 August of the levy year.
3. In respect of the levy year, the calculation of the levy is based on the number of members referred to in item 2 shall correspond with the latest statistics furnished to the Registrar in terms of or by virtue of the Medical Schemes Act, 1998 (Act No. 131 of 1998) or with the latest certified number of members sent to the Registrar by the medical scheme. If a transfer of members is in process and not finalized on 31 December 2007, the transferor must pay the levy in respect of the members to be transferred.

Payment/Interest on overdue of Levies

4. On amounts of overdue levies, interest will be charged at a rate applicable to a debt owing to the state, as determined by the Minister of Finance in terms of section 80(1)(b) of the Public Finance Management Act.
5. The levies (once finally imposed) and interest (if any) referred to in this Notice shall be paid by a medical scheme directly in the bank account of the Council, the details of which are:

Bank : ABSA
Account Holder : Council for Medical Schemes
Branch Name : ABSA Corporate Branch (Cnr Pretorius and Vermeulen Streets,
Pretoria)
Branch Code : 517 245
Account Number : 405 116 3394

6. A deposit advice slip issued by the aforementioned Bank in respect of a deposit contemplated in item 5, received by the Council for Medical Schemes, and bearing the name of the relevant medical scheme, shall serve as *prima facie* proof of payment of a levy.

COUNCIL FOR MEDICAL SCHEMES

Full Budget for the financial year 2008/2009

Expenditure	Total														
	Budget	April	May	June	July	Aug	Sept.	Oct	Nov	Dec	Jan	Feb	Mar	TOTALS	
Accreditation Costs	101,475	0	0	8,575	2,000	7,800	29,300	14,650	3,000	0	0	36,150	0	101,475	0
Administrators Training	105,200	0	0	0	0	0	0	0	0	0	40,000	35,200	30,000	105,200	0
Appeal Board	360,000	90,000	0	0	0	90,000	0	0	90,000	0	0	90,000	0	360,000	0
Audit Fees: Internal	352,760	0	52,400	0	52,500	0	43,860	60,040	0	74,960	0	69,000	0	352,760	0
Audit Fees: External	353,000	0	0	60,800	0	180,000	0	90,000	0	0	22,200	0	0	353,000	0
Bank Charges	40,000	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	40,000	0
Cleaning & Gardening	162,000	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	162,000	0
Computer Expenses	143,760	19,380	17,980	12,980	18,380	7,980	7,980	18,380	7,980	7,980	8,380	7,980	8,380	143,760	0
Consumer Education	790,000	30,000	70,000	100,000	120,000	80,000	120,000	70,000	20,000	15,000	5,000	50,000	110,000	790,000	0
Council Committees	373,571	32,429	45,000	32,429	32,429	45,000	32,429	32,429	45,000	0	0	31,426	45,000	373,571	0
Courier & Postage	114,000	8,500	11,500	8,500	8,500	11,500	8,500	8,500	11,500	8,500	8,500	11,500	8,500	114,000	0
Consulting Fees	77,500	20,000	17,500	2,500	2,500	2,500	2,500	17,500	2,500	2,500	2,500	2,500	2,500	77,500	0
Depreciation	600,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	600,000	0
Donations	5,500	0	0	0	0	0	0	0	5,500	0	0	0	0	5,500	0
Employee Wellness	164,000	13,667	13,667	13,667	13,667	13,667	13,667	13,667	13,667	13,667	13,667	13,667	13,667	164,000	0
External storage	60,504	5,042	5,042	5,042	5,042	5,042	5,042	5,042	5,042	5,042	5,042	5,042	5,042	60,504	0
General Expense Admin	78,000	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	78,000	0
Group Personal Insurance	906,000	75,500	75,500	75,500	75,500	75,500	75,500	75,500	75,500	75,500	75,500	75,500	75,500	906,000	0
HR/Organisational Strategy	400,000	0	0	200,000	0	0	50,000	0	150,000	0	0	0	0	400,000	0
Insurance	150,000	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	150,000	0
Internet Expenses	217,266	17,917	17,917	17,917	17,917	17,917	17,917	17,917	17,917	17,917	18,671	18,671	18,671	217,266	0
Investigation Costs	490,000	300,000	30,000	0	0	0	40,000	40,000	0	0	0	40,000	40,000	490,000	0
IPP	360,000	0	100,000	0	0	120,000	0	0	100,000	0	40,000	0	0	360,000	0
Legal Fees	3,600,000	250,000	200,000	450,000	250,000	200,000	450,000	250,000	200,000	450,000	250,000	200,000	450,000	3,600,000	0
Media and Promotion	460,000	20,000	30,000	50,000	150,000	30,000	50,000	30,000	50,000	10,000	0	20,000	40,000	460,000	0
Council Members fees	216,732	15,000	24,183	15,000	15,000	24,183	15,000	15,000	24,183	15,000	15,000	24,183	15,000	216,732	0
Motor Vehicle	24,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000	0
Printing	65,000	0	0	0	0	0	9,000	50,000	0	0	6,000	0	0	65,000	0
Recruitment & Relocation	280,000	100,000	0	0	0	180,000	0	0	0	0	0	0	0	280,000	0
Refreshments	66,408	5,534	5,734	5,859	5,109	5,109	5,859	5,109	5,109	5,759	5,009	5,734	6,484	66,408	0
Rent	2,208,000	173,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	2,208,000	0
Rental Copiers	400,000	33,333	33,333	33,333	33,333	33,333	33,333	33,333	33,333	33,333	33,333	33,333	33,333	400,000	0
Rental Other Assets	11,880	990	990	990	990	990	990	990	990	990	990	990	990	11,880	0
Operational Planning	300,000	0	0	0	0	0	0	0	0	0	0	300,000	0	300,000	0
Repairs & Maintanance Office	202,068	16,839	16,839	16,839	16,839	16,839	16,839	16,839	16,839	16,839	16,839	16,839	16,839	202,068	0
Research Costs	630,000	80,000	0	300,000	10,000	0	40,000	80,000	50,000	40,000	0	30,000	0	630,000	0
Knowledge Management	240,000	50,000	0	0	0	0	0	0	0	50,000	90,000	50,000	0	240,000	0
Salaries	33,179,288	2,423,853	2,655,646	2,598,159	2,546,378	2,500,640	2,642,655	2,623,744	2,601,553	2,500,891	2,694,175	3,003,511	4,388,083	33,179,288	0
Security- Computers	47,820	3,985	3,985	3,985	3,985	3,985	3,985	3,985	3,985	3,985	3,985	3,985	3,985	47,820	0
Year End Function	42,000	0	0	0	0	0	0	0	0	42,000	0	0	0	42,000	0
Staff Training	1,162,593	136,162	158,859	205,635	103,746	75,592	103,073	74,559	84,903	44,835	56,381	49,805	69,042	1,162,593	0
Stationery	170,591	14,994	9,509	21,309	11,309	11,469	20,709	8,109	8,609	22,569	11,309	8,109	22,584	170,591	0
Strategic Planning Costs	120,000	0	0	0	50,000	0	0	70,000	0	0	0	0	0	120,000	0
Subscriptions	34,605	500	4,500	1,650	0	0	0	0	0	1,150	22,655	3,250	900	34,605	0
Software Licence Subscription	489,241	7,439	9,454	400,000	20,000	15,000	0	5,000	32,348	0	0	0	0	489,241	0
Telephone & Fax	760,308	63,359	63,359	63,359	63,359	63,359	63,359	63,359	63,359	63,359	63,359	63,359	63,359	760,308	0
Temp Services	62,000	5,167	5,167	5,167	5,167	5,167	5,167	5,167	5,167	5,167	5,167	5,167	5,167	62,000	0
Transcription Services	41,000	0	0	10,250	0	0	10,250	0	0	10,250	0	0	10,250	41,000	0
Travel	283,203	20,767	21,267	23,267	26,267	20,267	26,267	20,267	24,770	19,767	16,767	26,267	37,267	283,203	0
Trustee Training	418,000	55,000	40,000	25,000	40,000	0	51,000	60,000	60,000	0	0	27,000	60,000	418,000	0
Water & Electricity	111,452	8,800	9,332	9,332	9,332	9,332	9,332	9,332	9,332	9,332	9,332	9,332	9,332	111,452	0
Workman's Compensaton	75,000	0	0	0	0	75,000	0	0	0	0	0	0	0	75,000	0
TOTAL:															
	52,105,724	4,184,990	4,021,496	5,049,877	3,982,082	4,200,004	4,276,346	4,161,251	4,094,919	3,839,125	3,812,594	4,640,333	5,862,708	52,105,724	0

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