



Reference: PMSA Q2 Return  
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## **Disclosure of personal medical savings investments for quarterly returns as of 30 June 2017**

### ***Background***

Reference is made to [circular 56 of 2017](#), which discusses the accounting treatment of personal medical savings accounts (PMSA) investments following the Constitutional Court judgement on 6 June 2017. PMSA investments are now no longer to be disclosed separately as a trust investment in the statement of financial position and will now instead be classified together with the schemes investments.

The judgement and the Council for Medical Schemes (CMS) response in the form of circular 56 was made after IT specifications for the quarterly return system for 2017 was finalized, and therefore the format and validation rules of the quarterly return system could not be adjusted to reflect this change. Further, as schemes have already submitted quarter 1 returns, the system will therefore remain unchanged for all other subsequent submissions for 2017.

The purpose of this communication is to provide clarity with regards to capturing PMSA information for the quarterly returns, whilst still conforming to circular 56 and the current validation rules within the system.

### ***Capturing of PMSA investments in the quarterly returns***

With regards to the capturing of the PMSA liability in part 7.2 of the return, this process remains unchanged as the liability component still needs to be disclosed separately.

Regarding the capture of the PMSA investments, the following steps are required:

1. In parts 7.1.1. to 7.1.4, no PMSA investments or bank accounts are to be captured. These parts should reflect zero. The "Total Investments at the end of the period" in line 7.1.6. will therefore reflect zero, and this will pull through to the statement of financial position in part 6.1.2.5 as zero.
2. In part 7.1.7, an amount equal to line 7.1.8 must be captured as a reconciling item in order ensure that the validation rules between part 7.1 and 7.2 still function. The capturing of the reconciling item has no financial effect, and only serves to ensure the validation rules are functioning to allow a final submission.
3. PMSA investments are to be captured together with the schemes other investments in part 3.1 under the relevant categories.
4. The screen pop-up in part 3.1 stating that PMSA trust investment should not be included in part 3.1 is to be ignored. This will be removed from the Q3 return onwards.

Example screenshots are contained below:

### 1. PMSA investments in part 7.1 being zero, with only capture of reconciling items.

The screenshot displays the 'Part 7.1 PERSONAL MEDICAL SAVINGS ACCOUNT TRUST INVESTMENT' section of a software interface. The interface includes a navigation bar with tabs for Parts 1 through 9. The 'Part 7.1' tab is active, showing a table with the following data:

Description	Current Quarter R
7.1.1 Call accounts	0
7.1.2 Current accounts	0
7.1.3 Fixed deposits	0
7.1.4 Other (specify)	0
7.1.5 Less: Transfer of assets due to amalgamation during the year	0
7.1.6 Total Investments at the end of the period	0
7.1.7 Reconciling items (Specify)	1,375,010,000
7.1.8 Balance of personal medical savings accounts trust liability at the end of the period	1,375,010,000

A pop-up window titled 'Other - Internet Explorer' is overlaid on the bottom left, showing a form for 'Please supply a detailed list'. The form contains a table with the following data:

Description	Amount	
PMSA assets in 3.1	1,375,010,000	Delete
	0	Save

The pop-up also includes a 'Done' button at the bottom left.

## 2. PMSA investments now reflecting zero on the statement of financial position

Part 8

Part 9

Part 1

Part 2

Part 3

Part 4

Part 5

Part 6

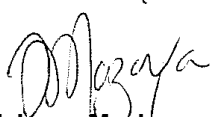
Part 7

MIMED Quarter : (2) Year : (201

Part 6.1

PART 6.1			
STATEMENT OF FINANCIAL POSITION			
		Previous Quarter	Current Quarter
		R	R
6.1.1	Non-current assets	995,000,000	1,001,000,000
6.1.1.1	Land & buildings (specify)	0	0
6.1.1.2	Plant & equipment	40,000,000	36,000,000
6.1.1.3	Investments	950,000,000	960,000,000
6.1.1.4	Other non-current assets (specify)	5,000,000	5,000,000
6.1.2	Current assets	5,137,120,000	5,329,000,000
6.1.2.1	Inventories	0	0
6.1.2.2	Trade and other receivables	287,020,000	300,000,000
6.1.2.3	Investments	2,175,000,000	2,321,890,000
6.1.2.4	Cash and cash equivalents	1,330,100,000	2,702,110,000
6.1.2.5	Personal medical savings account trust investment	1,340,000,000	0
6.1.2.6	Other current assets (specify)	5,000,000	5,000,000
6.1.3	Total assets	6,132,120,000	6,330,000,000

Your co-operation in this regard will be highly appreciated.



**Tebogo Maziya**

**General Manager: Financial Supervision Unit  
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