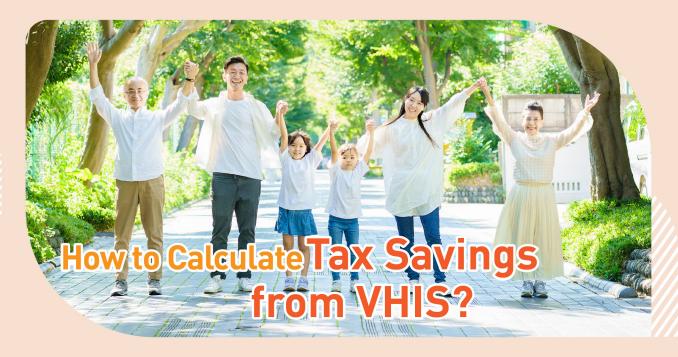
# **Hot Topics – What's Trending in the City**



Want to show your love and care for your family? You may consider to offer them the comprehensive medical protection. Voluntary Health Insurance Scheme (VHIS) Certified Plans would be a smart choice. Taxpayers purchasing VHIS Certified Plans for themselves or their specified relatives are eligible to claim tax deduction for qualifying premiums paid. Here are some points to note when calculating the amount of tax savings -



You may claim tax deduction for qualifying premium up to a maximum of HK\$8,000 per eligible insured person per tax year



No limit on the number of policies and insured persons to claim tax deduction

#### How to calculate the amount of tax savings?

Please note that the tax-deductible amount of qualifying premium does not equal the amount of tax savings. The formula for calculating the amount of tax savings is as follows:

The amount of tax savings per eligible insured person per tax year Tax-deductible amount of qualifying premium Applicable tax rate (capped at HK\$8,000)

(max. 17%)

## Example 1:

A taxpayer purchased a policy under a Certified Plan for himself/herself

Till local, the local						
		Annual premium paid (HK\$)	Tax-deductible amount of qualifying premium (capped at HK\$8,000 per eligible insured person) (HK\$)	Amount of tax saved (assuming tax rate is 15%*) (HK\$)		
	Scenario 1	\$3,000	\$3,000	\$450		
	Scenario 2	\$4,000	\$4,000	\$600		
	Scenario 3	\$12,000	\$8,000	\$1,200		

#### Eligible insured person:

It refers to the policyholder, his/her spouse or other specified relatives, including the policyholder or his/her spouse's grandparents, parents, children and siblings, who is a Hong Kong resident. For details, please refer to the Inland Revenue Ordinance (Chapter 112).

## Example 2:

A taxpayer purchased policies under Certified Plans for himself/herself and his/her specified relatives

	Annual premium paid (HK\$)	Tax-deductible amount of qualifying premium (capped at HK\$8,000 per eligible insured person) (HK\$)	Amount of tax saved (assuming tax rate is 15%*) (HK\$)
Taxpayer	\$5,000	\$5,000	\$750
Spouse	\$4,100	\$4,100	\$615
Grandmother	\$16,000	\$8,000	\$1,200
Father	\$12,000	\$8,000	\$1,200
Mother	\$11,000	\$8,000	\$1,200
Son	\$2,500	\$2,500	\$375
Total	\$50,600	\$35,600	\$5,340

For more information about the VHIS, please visit the official website www.vhis.gov.hk Q











<sup>\*</sup>From the year of assessment 2018/19, the standard tax rate is 15% and the marginal tax rates are 2%, 6%, 10%, 14% and 17%.