

Hot Topics – What's Trending in the City



How to Calculate Tax Savings from VHIS?

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:

$$\text{The amount of tax savings per eligible insured person per tax year} = \text{Tax-deductible amount of qualifying premium (capped at HK\$8,000)} \times \text{Applicable tax rate (max. 17\%)}$$

Example 1:

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

	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

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

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).

*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%.

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



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Health Bureau

The Government of the
Hong Kong Special Administrative Region
of the People's Republic of China



自願醫保計劃
Voluntary Health Insurance Scheme

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