



Tax Guide – Shelanti Private School

The tax relief available in respect of medical and “disability” related expenditure stems from tax laws and SARS practices that have been amended and changed on a regular basis over the course of the past eight years. During this time there have been changes to the way in which one confirms the diagnosis of a “disability” for tax purposes, the expenditure items that may be considered, the limitations that need to be applied to certain expenses and the progressive change from a tax deduction system to a tax credit one.

1. What is the relevance to me as a Parent of a pupil in tax terms?

As Shelanti Private School is a special learning needs school, it is possible that all medical expenses incurred by you could be considered for tax purposes, including fees paid to Shelanti Private School subject to limitations.

2. Who qualifies for this tax relief?

If your son or daughter has a limitation on their ability to perform daily activities and such limitation falls within the definition of a “disability”, as defined for tax purposes, then your medical and “disability” expenses should be able to be considered for tax purposes; subject to limitations.

3. What is the definition of a “disability”?

The definition of a “disability” is set out in our Income Tax Act and means “a moderate to severe limitation of a person’s ability to function or perform daily activities as a result of a physical, sensory, communication, intellectual or mental impairment, if –

- (a) the limitation has lasted or has a prognosis of lasting more than a year, and
- (b) is diagnosed by a duly registered medical practitioner in accordance with criteria prescribed by the Commissioner (i.e. SARS).

4. How do I know if my son or daughter has a “disability” as defined for tax purposes?

It is likely that as a result of your son or daughter being a pupil at Shelanti Private School that he or she will have a “disability” as defined for tax purposes.

5. Does that automatically mean that my son or daughter falls within the definition set out above, in accordance with the criteria prescribed by SARS?

No. SARS have issued a form “Confirmation of Diagnosis of Disability” (**form ITR-DD, see your D6 communicator, resource section for this form**). If your child does not meet the qualifying diagnosis criteria, there may still be relief available to you and this should be discussed with a disability tax law specialist.

6. What do I need to with the ITR-DD form?

It needs to be completed by you and a duly qualified medical practitioner. If your medical practitioner confirms that your son or daughter does have a “disability”, the form should be retained by you before submitting your tax return. It does not need to be submitted with your return but retained in case SARS request it.

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7. Will my doctor, psychologist, therapist etc. be comfortable completing and signing the relevant sections of the ITR-DD?

For your son or daughter to have a “disability” as defined in tax law, it is a requirement in our law that the form be completed by the appropriate health practitioner. If your practitioner has an issue or is not sure how to complete the SARS legal form, contact your financial advisor for further information or a tax law advisor who specializes exclusively on tax matters relating to disabilities. You can also speak about alternative tax relief that might be available to you if your child does not meet the SARS diagnosis criteria for a “disability”.

8. Does the form need to be completed for every tax year?

If your duly registered health care practitioner completes the form and confirms therein that your son or daughter’s “disability” is of a permanent nature, then you only need to obtain the form every five years.

9. What happens if my health care practitioner does not consider the “disability” to be of permanent nature?

You will need to get the form duly completed every tax year.

10. Why do I get a Tax Invoice and Statement from Shelanti Private School each month?

This will reflect the school and other fees paid for your child’s special needs education during the applicable tax year.

11. What must I do with these documents?

Ensure that you create a folder in which you save these documents. No duplicates will be sent throughout the year once you start this process. If you then obtain a duly completed ITR-DD then all your medical and “disability” expenses should be able to be considered for tax purposes (subject to limitations), which is likely to include the Shelanti Private School fees. The certificate should, therefore, be used as part of the calculations required to be performed prior to submitting your tax return.

12. What do fees paid to Shelanti Private School have to do with medical expenses?

Tax law is complex and medical expenses do not only include your medical aid contributions and your share of claims not paid by your medical scheme (you should receive a separate tax certificate from your medical scheme reflecting these figures). Other expense which may be allowable as “medical expenses” include expenses relating to your son or daughter’s “disability” – that is the connection between Shelanti Private School fees and medical expense as in the absence of any “disability”, your son or daughter would not need the specialized care and attention that they get at Shelanti Private School.

13. Could there be other expenses that could also be deductible as a result of my son or daughter’s “disability”?

Yes, but that would depend entirely on your own facts and circumstances and what expenses you have paid in relation to the “disability”. Specialist tax advice is recommended to ensure that your claim is maximized in accordance with the law and therefore pay less tax. You should contact your tax law advisor regarding this.



14. What can be done if I did not claim all my medical expenses in previous years?

If you qualified to receive the applicable tax relief in previous years but you did not take “disability” into account when attending to your tax matters, it is possible that you could be able to re-visit those prior years.

15. How far back can I go in re-opening previous year’s tax returns?

This is dependent on your unique circumstances.

16. How do I go about re-opening previous tax years?

Specialist tax law advice is recommended and will probably be money well spent as the refunds can be considerable if all claims have not been made for the previous years.

Disclaimer

Nothing in this guide should, therefore, be construed as the provision of any advice whatsoever on the part of Shelanti Private School, any parties related to Shelanti Private school.