Medicare Levy

- The Medicare levy is an amount you pay in addition to the tax you pay on your taxable income.
- The Medicare levy helps fund some of the costs of Australia's public health system - Medicare.
- 2% of taxable income.
- The taxpayer can reduce or exempt the Medicare levy depending upon their or spouse taxable income.

Medicare Levy Reduction

- Medicare levy is reduced if the taxable income is below the threshold.
- Taxpayer **do not** have to pay the Medicare levy if the taxable income is equal to or less than the lower threshold.
- **Based on Individuals – Low Income Earners:**

2023

Category	Lower threshold	Upper threshold
If you were entitled to the Seniors and pensioners tax offset	$38,365	$47,956
All other taxpayers	$24,276	$30,345

➢ Based on Individuals – Low Income Earners:

2024

Category	Lower threshold	Upper threshold
If you were entitled to the Seniors and pensioners tax offset	$41,089	$51,361 (see note 1)
All other taxpayers	$26,000	$32,500

➢Based on Family Taxable Income:

- If individual taxable income was more than Low-income earners limit.
- Had spouse or sole care of dependent children.

➢ Based on Family Taxable Income:

2023

Category	Lower Threshold	Upper Threshold
If entitled to SAPTO	$53,406	$66,758
All other taxpayers	$40,939	$51,174

2024

Category	Lower Threshold	Upper Threshold
If entitled to SAPTO	$57,198	$71,497
All other taxpayers	$43,846	$54,807

Threshold increases for each dependent children
Lower - $3,760
Upper - $4,700

Medicare levy related items

M1 **Medicare levy reduction or exemption**

Number of dependent children and students		Y
Exemption – number of days full levy exemption		V
Exemption – number of days half levy exemption		W

M2 **Medicare levy surcharge**

For the whole of the financial year, were you and all your dependants (including your spouse) – if you had any – covered by private patient hospital cover?	Yes / No	E
Number of days not liable for surcharge	365	A

Private health insurance policy detail 2

Medicare Levy Exemption

- Exempted under any of the three categories:

1. Medical
2. Foreign Resident
3. Not entitled to Medicare benefits

1. Medical:

- Satisfy both conditions

1. Blind Pensioner or Entitled to full free medical treatment under Defence Force arrangements or Veterans' Affairs Repatriation Health Card (Gold card).
2. Based on above, met any one of the conditions

   No Dependants – Full

   Dependants in exemption categories or had to pay Medicare Levy - Full

   Dependants not in exemption categories & did not have to pay Medicare Levy – Half

   Separated and had care of dependent child – Half

Medicare Levy Surcharge

- Pay MLS if both conditions satisfied:

1. taxpayer, spouse and dependent children do not have an appropriate level of private patient hospital cover.
2. Earn above a certain income.

   $93,000 – Singles

   $186,000 – Families (plus $1,500 for each dependent child after the first one).

- **Exemption –**

If you had spouse and family income exceeds the $186,000 but own income equal to/less than $26,000 or less..

- Medicare Levy Surcharge rates:

Income thresholds

Threshold	Base tier	Tier 1	Tier 2	Tier 3
Single threshold	$93,000 or less	$93,001–$108,000	$108,001–$144,000	$144,001 or more
Family threshold	$186,000 or less	$186,001–$216,000	$216,001–$288,000	$288,001 or more
Medicare levy surcharge	0%	1%	1.25%	1.5%

- Income includes

Taxable income, Reportable Fringe Benefits, Net Investment Losses and Reportable super contributions.