



## Private health insurance

In the 2009-10 Budget, the government announced a proposal to income test the private health insurance rebate.

From 1 July 2012, the private health insurance rebate and the Medicare levy surcharge will be income tested against three income tier thresholds.

If the legislation is passed, higher income earners will receive less private health insurance rebate or, if they do not have the appropriate level of private patient hospital cover, the Medicare levy surcharge may increase.

For the purpose of calculating your income threshold, it is based on the definition of income used to calculate [Medicare levy surcharge](#) for individuals or [families](#).

Tier	Income	Private health insurance rebate			Medicare levy surcharge
		Below 65 years of age	65 to 69 years of age	70 years of age or over	
No tier	Singles \$0 - \$80,000 Families \$0 - \$160,000	30%	35%	40%	nil
1	Singles \$80,001 - \$93,000 Families \$160,001 - \$186,000	20%	25%	30%	1%
2	Singles \$93,001 - \$124,000 Families \$186,001 - \$248,000	10%	15%	20%	1.25%
3	Singles \$124,001+ Families \$248,001+	0%	0%	0%	1.5%

### Media release

For more information, refer to the joint [media release](#) issued by the Treasurer and Minister for Health and Ageing from 2009 when this proposal was announced as a part of the 2009-2010 Budget.

### Legislation and supporting material

The following bills were introduced into parliament on 7 July 2011:

- [Fairer Private Health Insurance Incentives Bill 2011](#)
- [Fairer Private Health Insurance Incentives \(Medicare Levy Surcharge\) Bill 2011](#)
- [Fairer Private Health Insurance Incentives \(Medicare Levy Surcharge - Fringe Benefits\) Bill 2011](#).

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