

## “MEDICARE LEVY & MEDICARE LEVY SURCHARGE”

### WHAT IS THE MEDICARE LEVY?

- Medicare gives Australian residents access to health care and is partly funded by taxpayers who pay a Medicare levy based on their taxable income.
- The Medicare levy and any reductions are calculated from information provided in your tax return.

### WHEN DO I PAY THE LEVY?

- The Medicare Levy is included in your annual tax return. You only pay the Medicare Levy if your 2018/19 income is above \$27,998 as an individual, or above a combined income of \$46,362\* for families. (\*an increased income threshold of \$4,258 applies for each dependent child)

### HOW MUCH DO I PAY?

- The Medicare Levy is 2.0% of your taxable income if your income is above the minimum threshold amounts.

### WHAT IS THE MEDICARE LEVY SURCHARGE?

- The Medicare Levy Surcharge is an additional levy charged to higher income earners who do not have an appropriate level of health insurance hospital cover.

### WHEN DO I PAY THE SURCHARGE?

You will be required to pay the Medicare Levy Surcharge (MLS) if your or your family income for MLS purposes is above the base income threshold. The surcharge will be calculated within your tax return and be included in your total tax payable for the year.

### HOW MUCH DO I PAY?

The surcharge is based on an increasing scale, depending on the level of income. It begins at 1% and reaches a maximum of 1.5% of your taxable income. The rates and income tiers are below:

	Unchanged	Tier 1	Tier 2	Tier 3
<b>Single</b>	\$90,000 or less	\$90,001 - \$105,000	\$105,001 - \$140,000	\$140,001 or more
<b>Families</b>	\$180,000 or less	\$180,001 - \$210,000	\$210,001 - \$280,000	\$280,001 or more
<b>Surcharge Rate</b>	0%	1.0%	1.25%	1.5%

### FOR MORE INFORMATION

Visit the ATO website: <https://www.ato.gov.au/>  
Or phone 13 28 66 from Monday-Friday 8:00am-6:00pm  
Or Contact Sheridan Partners on 1300 896 574

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