

JAS PARTNERS

CHARTERED ACCOUNTANTS

BUSINESS ADVISERS – TAXATION PROFESSIONALS – SUPERANNUATION CONSULTANTS

PRIVATE HEALTH INSURANCE REBATE

PUBLISHED 14 JUNE 2012

Effective from 1 July 2012, the private health insurance rebate is going to be means tested against your income.

Income thresholds for the 2012/2013 tax year are as follows:

	Unchanged	Tier 1	Tier 2	Tier 3
Singles	\$84,000 or less	\$84,001 to \$97,000	\$97,001 to \$130,000	\$130,001 or more
Families*	\$168,000 or less	\$168,001 to \$194,000	\$194,001 to \$260,000	\$260,001 or more

Rebate

Aged under 65	30%	20%	10%	0%
Aged 65 to 69	35%	25%	15%	0%
Aged 70 or above	40%	30%	20%	0%

Medicare levy surcharge (applicable if you do not have an appropriate level of private patient hospital cover)

Rate	0.0%	1.0%	1.25%	1.5%
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*The family income threshold is increased by \$1500 for every child after the first

Please note: Definition of “income” for this test is the sum of your:

- taxable income (including net capital gains, and including the net amount on which family trust distribution tax has been paid)
- reportable fringe benefits (as reported on your payment summary)
- total net investment losses (both net financial investment losses and net rental property losses)

- reportable super contributions (includes reportable employer super contributions and deductible personal super contributions)
- exempt foreign employment income

LESS

- (if you are aged 55 – 59 years old) any taxed element of a super lump sum, other than death benefit, which you received that does not exceed your low rate cap.

If your “income” in 2012/2013 is in the “Unchanged” category above, then the above means testing does not apply to you.

Can you pre-pay your private health insurance premiums?

If your “income” puts you in Tier 1, 2 or 3 categories, then you could save thousands of dollars by pre-paying your insurance premiums. This means paying on or before 30 June 2012. The Australian Taxation Office has confirmed that you can effectively receive the current 30% rebate for premiums that you pre-pay.

If you will be affected by the above, we recommend you contact your health insurance provider to verify that they can correctly process any pre-payments. Then ensure that you make the payment well before the 30 June 2012, to allow your fund time to process on or before 30 June 2012.

Should you wish further information, please do not hesitate to contact us.

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