

BMD Factsheet - Private Health Insurance Rebate

The private health insurance rebate is an amount the government contributes towards the cost of your private hospital insurance premiums.

The rebate is income tested, which means your eligibility to receive it depends on your income. If you have a higher income, your rebate entitlement may be reduced, or you may not be entitled to any rebate at all.

Most people claim the private health insurance rebate as a reduction in the amount of private health insurance premiums they pay to their insurer or it can be claimed back when you lodge your tax return each year.

Private Health Insurance Rebate Income thresholds for 2017-18

	Base Tier	Tier 1	Tier 2	Tier 3
Single	\$90,000 or less	\$90,001 – \$105,000	\$105,001 – \$140,000	\$140,001 or more
Family	\$180,000 or less	\$180,001 – \$210,000	\$210,001 – \$280,000	\$280,001 or more

Note: The family income threshold is increased by \$1,500 for each Medicare levy surcharge dependent child after the first child.

**Table 11a: Rebate by age for premiums paid
1 July 2017 – 31 March 2018**

	Base Tier	Tier 1	Tier 2	Tier 3
Under 65 Yrs	25.934%	17.289%	8.644%	0%
65-69 Yrs	30.256%	21.612%	12.966%	0%
70 Yrs or over	34.579%	25.934%	17.289%	0%

**Table 11b: Rebate for premiums paid
1 April 2018 – 30 June 2018**

	Base Tier	Tier 1	Tier 2	Tier 3
Under 65 Yrs	25.415%	16.943%	8.471%	0%
65-69 Yrs	29.651%	21.180%	12.707%	0%
70 Yrs or over	33.887%	25.415%	16.943%	0%

Other things to consider when looking at the private health insurance rebate include:

- Lifetime Health Cover (LHC)
 - If you have not taken out & maintained private hospital health insurance from the year you turn 31 you will pay a 2% LHC loading on top of your premium for every year you are aged over 30 if you decide to take out hospital cover later in life.
 - LHC loadings only apply to private patient hospital cover – they do not apply to ancillary or extras cover.
 - The government does not pay the private health insurance rebate on LHC loading applied to the cost of a policy.

Information provided in this factsheet is general in nature and has been sourced from the ATO. In preparing information BMO Accountants have not taken into account any particular person's objectives, financial situation or needs. Readers should, before acting on this information, consider the appropriateness of this information having regard to their objectives, financial situation or needs. We recommend obtaining financial advice specific to your situation before making any financial decisions or investments.

