



# The Hon Peter Costello, MP

## Treasurer

### Medicare levy — increase in thresholds

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What changes are being made to the Medicare levy thresholds?

- ▶ The Government will increase the Medicare levy low income thresholds to \$15,062 for individuals and \$25,417 for families, with effect from 1 July 2002.
- ▶ The additional amount of threshold for each dependent child or student will be increased to \$2,334.
- ▶ The Medicare levy low income threshold for pensioners below age pension age will also be increased. From 1 July 2002, the threshold will rise to \$17,164. This will ensure that pensioners below age pension age do not pay the Medicare levy while they do not have an income tax liability.

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How does this change current law?

- ▶ Currently, the Medicare low income thresholds are \$14,539 for individuals, \$24,534 for families (with an additional \$2,253 for each dependent child or student) and \$16,570 for pensioners below age pension age.

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Why is the Government making this change?

- ▶ The increase in thresholds takes into account movements in the CPI.

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Who benefits from this change?

- ▶ The measure ensures that low income individuals, families and pensioners below age pension age who currently do not pay the Medicare levy do not become liable to pay the levy as a result of their incomes increasing in line with inflation.

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How can I find out more about this measure?

- ▶ See the revenue measure titled Medicare levy — increase in thresholds in the Treasury portfolio in Budget Paper No. 2.
  - ▶ See also the Assistant Treasurer's Press Release of 13 May 2003.
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