

2009 Federal Government Budget & potential impacts for Private Health insurance



What the proposed 2009 Federal Budget changes mean to you and your employees.

What's happening to the private health insurance rebate and Medicare Levy Surcharge?

The Federal Government has confirmed the changes it wants to make to the private health insurance rebate and the Medicare Levy Surcharge.

It's important to note that the changes proposed still need to be passed by the Senate.

If the changes are passed, will it affect your employees?

The proposed changes will not affect singles earning \$75,000 or less a year, and couples or families earning \$150,000 or less a year.

For people earning those thresholds or above, the proposal is to means test the rebate and the Medicare Levy Surcharge by introducing three new 'Private Health Insurance Tiers'. This will result in the following changes:

	Currently*		Proposed for Tier 1	Proposed for Tier 2	Proposed for Tier 3
Singles	\$0-\$70,000	\$70,001+	\$75,001 - \$90,000	\$90,001 - \$120,000	More than \$120,001
Couples/Families	\$0-\$140,000	\$140,001+	\$150,001 - \$180,000	\$180,001 - \$240,000	More than \$240,001
Medicare Levy Surcharge	0%	1%	1%	1.25%	1.5%
Private Health Insurance Rebate					
Up to 65 years	30%	30%	20%	10%	0%
65 - 69 years	35%	35%	25%	15%	0%
Over 70 years	40%	40%	30%	20%	0%

**It is proposed that there will be no changes for private health insurance customers who earn less than the Medicare Levy Threshold.*



What will changes to the Medicare Levy Surcharge mean?

The Medicare Levy Surcharge is an extra tax that some people, who earn over a particular amount, have to pay if they don't have private health insurance.

For some people, the proposed changes may mean it is more expensive to pay the extra surcharge than it is to maintain your health insurance. (We recommend you seek financial advice.)

If the proposal is passed in the Senate when will this occur?

It's important to note that these proposed changes still need to be approved by the Senate, and this can be a lengthy and complex process. If the changes do get through the Senate they will not be implemented until 1 July 2010, so there is plenty of time for us to fully understand what they may mean and what options are available to you.

Will this increase to the cost of health insurance?

It will depend on your individual financial situation. However, we remain committed to keeping private health insurance as affordable as possible, and ensuring our products continue to add great value for you.

As one of Australia's largest private health insurers with a leading range of cover options, we are well positioned to ensure our customers continue to have choice and access to high quality healthcare.

If the proposal is passed, what options are available?

Private health insurance gives you peace of mind, more choice over the timing of your treatment and puts you in control – you choose your doctor or specialist, and where you're treated. No matter what your life stage.

We offer a range of different options for singles, couples and families that can be tailored to your individual circumstances. And we're happy to walk you through the options to find a cover that meets your needs and fits your budget.

Where can I get more information?

Should you have any further questions we advise you to contact your account manager.

Where can employees get more information?

Talk to our friendly customer service staff today to find out more.

MBF customers please call [1300 653 525](tel:1300653525)

HBA or Mutual Community customers please call [1800 649 406](tel:1800649406)

