



## Private health insurance rebate

The private health insurance rebate is a government contribution to help with the cost of your private health insurance.

### Private health insurance rebate eligibility

Eligibility for the private health insurance rebate depends on your circumstances, including your policy and income.

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QC 49962

# Private health insurance rebate eligibility

Eligibility for the private health insurance rebate depends on your circumstances, including your policy and income.

Last updated 8 July 2025

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## Eligibility to claim the rebate

Regardless of your residency status in Australia, to claim the private health insurance rebate you must:

- have a [complying health insurance policy](#) with an Australian-registered health insurer

- be eligible for Medicare
- be a [private health insurance incentive beneficiary](#)
- have an [income for surcharge purposes that is less than the Tier 3](#) income threshold.

If you are eligible to claim the private health insurance rebate, you can claim it as either:

- reduced premiums throughout the income year
- a refundable rebate when you lodge your tax return.

## Complying health insurance policy

Your health insurance policy is complying if it:

- is provided by a registered health insurer
- provides hospital cover, or general (also known as 'extras') cover, or combined hospital and general cover
- meets other complying private health insurance policy requirements.

If you are unsure, your [private health insurer](#)  can tell you whether your policy meets these conditions.

If your private health insurance provider is an overseas provider that is not registered in Australia, you will not be eligible for any rebate on your policy.

## Private health insurance incentive beneficiary

All adults who are covered by a private health insurance policy are known as private health insurance incentive beneficiaries.

If a policy only covers a dependent child (or children), then the parents of that child (or children) will be private health insurance incentive beneficiaries.

If the policy only covers a dependent child (or children) and the parents are not married (or de facto) at the end of the income year, the

payer of the premiums will be the only private health insurance incentive beneficiary, as long as the payer is not a dependent child.

## **Income for surcharge purposes**

Income for surcharge purposes is used to test your eligibility for the private health insurance rebate. It is not the same as your taxable income.

To be eligible for the private health insurance rebate, your income for surcharge purposes must be less than the Tier 3 **income threshold**. Tier 3 is the highest income threshold for both singles and families.

Tell your private health insurer:

- if you are choosing to claim your rebate as a premium reduction
- which **income threshold tier** your income for surcharge purposes is in.

If you **claim too much rebate** as a premium reduction, you may have a tax liability when you lodge your tax return. To help avoid this, you should tell your private health insurance provider if your income for surcharge purposes changes and you move into a different income tier.

You can work out your income for surcharge purposes with our **Private health insurance rebate calculator**.

Income for surcharge purposes is the sum of the following items for you and your spouse (if you have one):

1. Taxable income

- include the **net amount on which family trust distribution tax has been paid**
- don't include any assessable first home super saver (FHSS) released amount for the income year under the FHSS scheme.

2. Reportable fringe benefits.

3. Total net investment losses – the sum of

- **net financial investment losses**
- **net rental property losses.**

4. Reportable super contributions – the sum of

- reportable employer super contributions
- deductible personal super contributions.

Your family income for surcharge purposes is the total of your and your spouse's income, using the criteria above.

### **Example: income for surcharge purposes changes during the income year**

Belinda has a salary sacrifice arrangement under which her employer pays for her private health insurance. Belinda is single with no dependants so the policy only covers her.

Even though Belinda's employer pays her premiums, her income for surcharge purposes will be used to determine if Belinda is entitled to a private health insurance rebate.

At the start of the 2024–25 income year, Belinda's income for surcharge purposes is \$132,000 (Tier 2). Belinda's employer pays reduced premiums based on Belinda being entitled to a rebate for the entire income year.

Part way through the income year, Belinda gets a promotion and her income for surcharge purposes increases to \$155,000 (Tier 3). This means Belinda isn't entitled to any private health insurance from the time her income increases until the end of the income year. Belinda doesn't advise her health insurer of this change to her income.

Although Belinda isn't entitled to the rebate for the full income year, she has received the benefit of a higher amount of rebate through the reduced premiums her employer paid for her. When she lodges her return at the end of the 2024–25 income year, she will have a tax liability for the excess private health insurance reduction.

## **If someone else pays your premiums**

Regardless of who pays the premiums for your private health insurance policy, each adult covered by the policy is income tested to determine their entitlement to a rebate. If you share the policy, you will be income

tested on your share. Allocating shares to each adult covered by the policy ensures that any available rebate is distributed evenly.

If your employer pays for your private health insurance, you are generally entitled to the rebate as a reduced premium, and your employer will pay any outstanding premium.

QC 49964

## Claiming the private health insurance rebate

How to claim the private health insurance rebate, how to claim for your spouse and if you have prepaid your premium.

**Last updated** 1 July 2025

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## How to claim the rebate

If you are eligible for the rebate, you can claim the rebate either:

- through your private health insurance provider – your private health insurance provider will apply the rebate to reduce your private health insurance premiums

- when you lodge your tax return – as a refundable tax offset.

The rebate can be claimed for premiums paid for a private health insurance policy that provides either:

- private patient hospital cover
- general cover (commonly known as extras)
- combined hospital and general cover.

The government does not give this rebate on the lifetime health cover loading component of a policy.

### **Example: claiming the private health insurance rebate**

Peter is single with no dependants, 45 years old, and earned \$100,000 in 2024–25. He has a private health insurance policy that costs him \$2,000 per year. Peter's income level entitles him to a 16.405% rebate on premiums paid before 1 April 2025 and 16.192% from 1 April 2025. He makes payments monthly in 2024–25.

In claiming his rebate, Peter can choose to **either**:

- receive 16.405% or 16.192% of premium reduction from his health insurer for premiums paid in the respective months
- claim the rebate as a refundable tax offset in his tax return – we will then calculate his rebate entitlement based on his income for surcharge purposes.

Media:Example: claiming the private health insurance rebate

<http://tv.ato.gov.au/ato-tv/media?v=bi9or7orgcwudh>

You must lodge a tax return if you think you are eligible to claim the private health insurance rebate and you have not claimed any or all of the rebate from your insurer as a premium reduction.

When you lodge your tax return, we will test your income against the **income thresholds** to determine the percentage of rebate you are entitled to receive. If there was more than one adult on your private health insurance policy when the premiums were paid, you will be tested on your share of the policy.

The tax claim code you select in your tax return can affect the amount of rebate you are entitled to receive. The tax claim code is based on your circumstances on 30 June, and not the type of policy you hold. For more information, see **Working out your tax claim code**.

Depending on how you claimed the rebate, and the percentage you claimed, this may result in a tax liability or a tax offset.

## **If you claimed too much rebate**

If you claim too much private health insurance rebate as a premium reduction, we recover the amount as a tax liability. This liability will be listed on your notice of assessment as an Excess private health insurance refund or reduction (rebate reduced).

### **Example: claiming too much rebate**

Toby is single and 67 years old in 2024–25. He has a complying health insurance policy. Toby's yearly premium is \$2,400. He paid premiums monthly and did not pay any lifetime health cover loading.

On 1 July 2024, Toby nominated to receive 28.710% private health insurance rebate as a premium reduction to the cost of his policy to 31 March 2025 and 28.337% from 1 April 2025 to 30 June 2025.

Toby paid premiums monthly, which adds up as follows:

- \$1,141 between 1 July 2024 and 31 March 2025 after premium reductions of \$459
- \$573 between 1 April 2025 and 30 June 2025 after premium reductions of \$227.

When Toby lodges his 2025 tax return, his income for surcharge purposes is calculated as \$98,000. This puts him in the Tier 1 income threshold.

The rebate under Tier 1 for a person who is 67 years old is:

- 20.507% of premiums paid between 1 July 2024 and 31 March 2025
- 20.240% of premiums paid between 1 April 2025 to 30 June 2025.

As Toby received more rebate than what he was entitled to, he incurred a \$196 liability. This is listed on his notice of assessment as an Excess private health insurance refund or reduction (rebate reduced).

## **If you haven't claimed the full rebate**

If you have not received your full private health insurance rebate entitlement, we calculate the rebate amount you are entitled to, which becomes payable to you as a refundable tax offset when we assess your tax return. The tax offset is added together with any other tax offsets that you receive and will appear as a credit on your notice of assessment.

### Example: not claiming the full rebate

Donna is 35 years old, single, and has a complying health insurance policy worth \$1,500. She expects to receive a promotion, with expected income of \$115,000 in 2024–25.

To avoid a potential liability, Donna contacts her health insurer and nominates to receive a Tier 2 private health insurance rebate as a premium reduction on 1 July 2024. Donna pays her full year's (2024–25) health insurance on 1 July 2024, after reducing it by a rebate of 8.202%. That is, she pays \$1,377 after a premium reduction (the rebate) of \$123 on 1 July 2024.

Donna does not end up getting her promotion, and when she lodges her 2025 tax return, her income for surcharge purposes is calculated as \$85,000. Donna's income is below the base tier **threshold** (not Tier 2), therefore, she is eligible for a 24.608% (not 8.202%) private health insurance rebate. This means Donna is entitled to a total rebate of \$369.12 (not \$123) for her policy.

Because Donna only received a \$123 premium reduction from her insurer on 1 July 2024, she receives an additional \$246.12 as a refundable tax offset when she lodges her 2025 tax return. This offset is listed on her notice of assessment.

## Claiming the rebate for your spouse

You can choose to claim your spouse's rebate entitlement (as well as your own) if you satisfy all of the following 3 conditions:

- You must have a spouse on the last day of the income year (this includes if your spouse died during 2024–25).
- You and your spouse must be covered by the same complying health insurance policy for the same period of time.
- You and your spouse must agree to this before you complete and lodge your tax return.

If you claim the rebate for your spouse, your spouse can't claim a rebate in their income tax return as well.

If your spouse has no other reason to lodge a tax return, other than to claim their rebate entitlement, you can choose to claim your spouse's

rebate in your tax return. This means your spouse does not have to lodge. However, you must still satisfy the 3 conditions above.

Even if you and your spouse lodge your tax returns at separate times, you can still choose to claim the rebate for your spouse.

If you are choosing to claim your spouse's share of the rebate on your tax return, you will be required to pay back any of the rebate which your spouse may already have over claimed in form of premium reductions.

Your spouse must lodge their own tax return if they have:

- under claimed or overclaimed the private health insurance rebate, and
- have not agreed to allow you to claim their rebate or pay any of their private health insurance liability.

If your spouse does not lodge their tax return by the end of the lodgment year, any private health insurance liability owned by your spouse will be reduced to nil, and it will automatically become your liability.

If you separated from your spouse during the year, you can only claim for your share of the policy – your ex-spouse will have to claim their share, even if you paid all of the premiums.

## Family threshold for private health insurance rebate purposes

You are entitled to a family threshold for private health insurance rebate purposes if you have:

- a spouse on 30 June 2025 for MLS purposes
- during the year contributed in a substantial way to the maintenance of a dependent person who is your child or sibling.

A 'dependent person' is one of the following:

- a **dependent child** who is aged under 18 and does not have a partner
- a **dependent non-student** who is all of the following
  - aged between 18 and 31 (inclusive)

- not receiving full-time education at a school, college or university
- a dependent non-student under the rules of the private health insurer that insures the person
- does not have a partner
- a **dependent person with a disability** who is
  - aged 18 or over and may have a partner, and either
    - a *person with a disability* within the meaning of the expression person with a disability as defined by the Private Health Insurance (Complying Product) Rules
    - a *person with a disability* within the meaning of the expression person with a disability as defined by the rules of the private health insurer that insures the person
- a **dependent student** who is all of the following
  - aged between 18 and 31 (inclusive)
  - receiving full-time education at a school, college or university
  - a dependent student under the rules of the private health insurer that insures the person
  - does not have a partner.

These definitions of dependants for private health insurance rebate purposes don't affect the Medicare Levy Surcharge (MLS) definition of dependant. **Dependants for MLS purposes** are your spouse, your children under 21 or your children who are students under 24 years old and in full time study.

### **Example: dependants for MLS purposes**

Kate and Antonio have 26 year old twins, Ethan and Edgar, who are both studying at university full time.

Ethan and Edgar are covered as dependants under Kate and Antonio's private health insurance policy. Ethan and Edgar can be covered by Kate and Antonio's policy until they turn 32 years old.

However, at 26 years old, Ethan and Edgar are no longer dependants for Medicare levy surcharge (MLS) purposes. Ethan

and Edgar stopped being dependants for MLS purposes at 24 years old.

This means when we work out if Kate and Antonio need to pay the MLS we will use the usual MLS threshold of \$194,000 rather than an increased threshold. Their family income threshold for the Private Health Insurance rebate is also not increased by the twins.

## When a premium is paid

The timing of when you pay your private health insurance premiums is important when working out your rebate.

Payment of your premium occurs when your private health insurer receives the amount you paid. This is the time your insurer actually receives the amount, not:

- the date you made the payment to the insurer
- when the insurer allocates the amount to your account.

If you pay by:

- cash – your premium is paid when your private health insurer receives the cash
- electronic transfer of funds – your premium is paid when the funds are credited to your private health insurer's account
- money order or bank cheque – your premium is paid when your private health insurer receives the money order or cheque (unless the money order or cheque is dishonoured).

You may pay your insurer either directly, through a legal agent or through your employer. If you make a payment to your health insurer's legal agent, the payment of the premium occurs when the agent receives your premium payment. For example, if your insurer has an agreement for Australia Post to receive payments on their behalf.

If you have an arrangement with your employer to pay the premium, the premium payment occurs when your private health insurer receives the amount your employer paid.

If your employer withholds an amount for a private health insurance premium, the amount is paid to your insurer when the insurer receives

the payment from your employer. This may be a different date to when your employer withholds the amount from you.

## **If you prepaid your private health insurance**

If your private health insurance premiums for the current year were paid in a previous income year (that is, prepaid), you can't claim a rebate for that in the current income year. You claim your rebate in the income year in which the premiums are paid, not in the income year for which it is paid. For example, if your 2024–25 premiums were paid in 2023–24, claim the rebate in your 2023–24 tax return, not in your 2024–25 tax return.

However, you still need to enter the private health insurance statement details in your current year's tax return. This will confirm you had an appropriate level of private patient hospital cover during this time and ensure we don't charge the Medicare levy surcharge.

## **How much of your premiums are your share**

Your share of the premium is based on your circumstances listed below:

- [If you are the only adult on the policy](#)
- [If there are other adults on the policy](#)
- [Dependent person covered in a family policy](#)
- [Dependent person-only policies](#)

### **If you are the only adult on the policy**

If you are the **only adult** covered by your private health insurance policy, your share of the policy for rebate purposes is the total cost of the policy excluding any lifetime health cover loading.

### **If there are other adults on the policy**

If your policy covers **more than one adult**, you divide the premiums paid into equal shares regardless of:

- who paid the premium
- whether the adults on the policy are a part of a couple.

Each adult's share of the policy is equal to the total cost of the policy divided by the number of adults covered by the policy at the time of

payment.

## Dependent person covered in a family policy

Anyone covered as a dependent person on a private health insurance policy is not considered to have a share of the cost of the policy. The adults covered in the family policy will have equal shares of the premium.

## Dependent person-only policies


If you pay for a policy that only covers a dependent person (or persons), the person is not eligible for the private health insurance rebate.

If the person's parents are:

- **together**, then one of the parents may claim the rebate – this applies regardless of which parent paid for the policy
- **no longer together**, then the payer of the policy must claim the rebate – the payer of the policy does not need to be a parent of the person.

## Annual rebate adjustment

All private health insurance rebate percentages are adjusted annually on 1 April by a 'rebate adjustment factor'.

The rebate adjustment factor is a percentage of the increase in the consumer price index (CPI) and the average annual premium price increase. It is calculated by the [Department of Health, Disability and Ageing](#) .

The adjusted rebate percentages are applied to premiums paid on or after 1 April. This means your rebate percentage for premiums paid (excluding lifetime health cover loading) before 1 April will be different to your rebate percentage on or after 1 April, if the rebate adjustment factor is not equal to one.

The rebate percentage between 1 July and 31 March (Period 1) is multiplied by the rebate adjustment factor to get the rebate percentage for the period 1 April – 30 June (Period 2). As a result, your rebate percentage for Period 2 may be less than or equal to Period 1.

You don't need to do anything as a result of a change in rebate percentages. If you claim your rebate as a premium reduction, your health insurer will adjust your rebate percentage and the rebate amount. If you claim your rebate as a tax offset in your income tax return, we will apply the adjusted rebate percentages to determine your correct private health insurance tax offset.

You don't need to contact your health insurer to change your rebate percentage from 1 April. However, you can choose to contact your insurer, for example, to nominate a new rebate amount if you think your income will result in you being entitled to a different rebate when you lodge your tax return.

QC 72945

## Lifetime health cover

LHC is a loading added to your hospital premium if you didn't have private hospital cover from the year you turn 31.

**Last updated** 12 June 2025

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[LHC and the private health insurance rebate](#)

## Lifetime health cover loading

Lifetime Health Cover (LHC) is a government initiative that encourages you to purchase and maintain private patient hospital cover earlier in life.

If you have not taken out and maintained private patient hospital cover from the year you turn 31 and then you decide to take it out later in life,

you will pay a 2% LHC loading on top of your premium for every year you are aged over 30.

For example, if you take out private patient hospital cover when you are 40 years old, you could pay an extra 20% on the cost of this cover per year for 10 years. If you wait until you are 50 years old, you could pay 40% more per year for 10 years.

The maximum LHC loading that can be applied is 70%. Once you have paid LHC loading for 10 years of continuous cover, you will no longer have to pay this loading.

If you cancel your private patient hospital cover after paying for the LHC loading for 10 continuous years, you may become liable to pay the LHC loading again if you take out another private patient hospital cover later.

## **When you don't have to pay the LHC loading**

You don't have to pay the LHC loading if any of the following apply to you:

- you are aged under 31 years old
- you hold an **appropriate level of private patient hospital cover** before you reach your LHC 'base day' – for many people, LHC base day is 1 July following their 31st birthday, but this can change depending on personal circumstances such as if you are overseas on this day
- you are a new migrant to Australia, and are aged 31 or over, and you had hospital cover within 12 months of being registered for full Medicare benefits
- you were born on or before 1 July 1934.

LHC loadings apply only to private patient hospital cover – they don't apply to general treatment cover (also known as ancillary or extras cover).

## **LHC and the private health insurance rebate**

The government **does not** pay the private health insurance rebate on LHC loading component of a policy.

### Example: no private health insurance rebate on LHC loading

On 1 July 2024, Rebecca pays a premium of \$220 for 2 months of her private patient hospital cover. Due to Rebecca's circumstances, her premium includes LHC loading of 10%. The premium eligible for the private health insurance rebate is \$200 only, because the LHC loading of \$20 does not qualify for this rebate.

Rebecca's income is \$59,000 and she is eligible for the 24.608% rebate. She receives a rebate of \$49, which is 24.608% of the \$200 premium eligible for the rebate. Rebecca does not receive any rebate on the LHC loading of \$20.

See [Lifetime health cover](#) and [Lifetime health cover calculator](#) for more information and to calculate your LHC.

QC 49963

## Income thresholds and rates for the private health insurance rebate

Find out the private health insurance rebate income thresholds and rebate percentage rates.

Last updated 25 June 2025

### On this page

[Income thresholds](#)

[Income tests for the private health insurance rebate](#)

## Income thresholds

The **private health insurance rebate** is income tested. This means that if your income is higher than the relevant income threshold, you may not be eligible to receive a rebate. Your rebate entitlement depends on your family status on 30 June. Different thresholds apply depending on whether you have a single income or a family income.

When you lodge your tax return, we calculate your **income for surcharge purposes** and determine your rebate entitlement.

Your entitlement is also based on the age of the oldest person covered by the policy.

The income thresholds used to calculate the **Medicare levy surcharge** and private health insurance rebate have increased from 1 July 2025.

To calculate your private health insurance rebate, see **Private health insurance rebate calculator**.

### Single or family income threshold

Depending on your situation, your income may be tested against either the:

- [Single income thresholds](#)
- [Family income thresholds](#).

### Single income thresholds

If you are single on the last day of the income year and have no dependants, you are income tested against the single income thresholds.

This applies even if you had a spouse for the majority of the year, as long as you were single on the last day (30 June) of the income year.

If you separated from your spouse during the financial year and remain single with no dependants on 30 June, your rebate entitlement is calculated only on your own income.

Your entitlement to a private health insurance rebate is based on your income for surcharge purposes.

If you were single on 30 June, but had dependent children, you are considered a family and will be income tested using the family income thresholds.

**Family income thresholds**

If you had a spouse on the last day of the income year (30 June), your income will be tested against the family income thresholds. Your entitlement to a private health insurance rebate is assessed on your and your spouse's combined income for surcharge purposes.

The family income thresholds also apply if:

- you are a single parent with one or more dependants
- you don't have a spouse on the last day of the income year and you either maintain a dependent child or children or contribute in a substantial way to the maintenance of a dependent child.

If your spouse died in the income year and you were single on 30 June with no dependants, use your and your spouse's income for surcharge purposes to determine your entitlement under the family income thresholds.

If you have 2 or more children, the family income threshold is increased by \$1,500 for every Medicare levy surcharge dependent child after the first child. For example, if you have 3 dependent children, your family income threshold increases by \$3,000.

None of your dependent children's income is included when calculating family income. Medicare levy surcharge dependent child is different to dependent persons who may be covered by your private health insurance policy. See [Dependent persons covered by a policy](#).

**Family status on 30 June**

Your family status on the last day of the income year (30 June) determines whether the single or family income thresholds apply to you. The table below provides a quick guide to when single or family thresholds apply.

**Guide to when single or family thresholds apply**

Your status on 30 June	Single thresholds	Family thresholds	Whose income for the full
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			<b>year is included in income test?</b>
You were single	Yes	No	Yours
You had a spouse	No	Yes (see <a href="#">Note</a> )	Yours and your spouse's
You were a single parent	No	Yes (see <a href="#">Note</a> )	Yours
You separated from your spouse during the year and were single with no dependent children	Yes	No	Yours
You separated from your spouse during the year and were single with dependent children	No	Yes (see <a href="#">Note</a> )	Yours
You were single for part of the year and then had a spouse and no dependent children	No	Yes	Yours and your spouse's
You were single for part of the year and then had a spouse and	No	Yes (see <a href="#">Note</a> )	Yours and your spouse's

dependent children			
Your spouse died during the year and you were single and had no dependent children	No	Yes	Yours and your spouse's
Your spouse died during the year and you were single and had dependent children	No	Yes (see <a href="#">Note</a> )	Yours and your spouse's

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

## Income thresholds and rebate rates by income year

Income thresholds and rebate rates for the private health insurance rebate:

- [2025–26 income thresholds and rebate rates](#)
- [2024–25 income thresholds and rebate rates](#)
- [Prior year thresholds and rebate rates](#)

## 2025–26 income thresholds and rebate rates

### Income thresholds for 2025–26

Family status	Base tier	Tier 1	Tier 2	Tier 3
<b>Single</b>	\$101,000 or less	\$101,001 – \$118,000	\$118,001 – \$158,000	\$158,001 or more
<b>Family (see</b>	\$202,000 or less	\$202,001 – \$236,000	\$236,001 – \$316,000	\$316,001 or more

<a href="#">Note 1)</a>				
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**Rebate rates effective from 1 July 2025 to 31 March 2026**

<b>Rebate if the oldest person covered by the policy is:</b>	<b>Base tier</b>	<b>Tier 1</b>	<b>Tier 2</b>	<b>Tier 3</b>
<b>Under 65 years old</b>	24.288%	16.192%	8.095%	0.000%
<b>65 – 69 years old</b>	28.337%	20.240%	12.143%	0.000%
<b>70 years old and over</b>	32.385%	24.288%	16.192%	0.000%

The rebate rates from 1 April 2026 will become available in March 2026.

**2024–25 income thresholds and rebate rates**

**Income thresholds for 2024–25**

<b>Family status</b>	<b>Base tier</b>	<b>Tier 1</b>	<b>Tier 2</b>	<b>Tier 3</b>
<b>Single</b>	\$97,000 or less	\$97,001 – \$113,000	\$113,001 – \$151,000	\$151,001 or more
<b>Family (see <a href="#">Note 1)</a>)</b>	\$194,000 or less	\$194,001 – \$226,000	\$226,001 – \$302,000	\$302,001 or more

### Rebate rates effective from 1 July 2024 to 31 March 2025

Rebate if the oldest person covered by the policy is:	Base tier	Tier 1	Tier 2	Tier 3
<b>Under 65 years old</b>	24.608%	16.405%	8.202%	0.000%
<b>65 – 69 years old</b>	28.710%	20.507%	12.303%	0.000%
<b>70 years old and over</b>	32.812%	24.608%	16.405%	0.000%

### Rebate rates effective from 1 April 2025 to 30 June 2025

Rebate if the oldest person covered by the policy is:	Base tier	Tier 1	Tier 2	Tier 3
<b>Under 65 years old</b>	24.288%	16.192%	8.095%	0.000%
<b>65 – 69 years old</b>	28.337%	20.240%	12.143%	0.000%
<b>70 years old and over</b>	32.385%	24.288%	16.192%	0.000%

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

Your rebate rate is the percent that you get back from your health insurance premiums in the form of a reduction of the premium or as a refundable tax offset. Your rebate entitlement depends on your family status at the end of the income year (30 June). Different thresholds apply depending on whether you have a [single income](#) or a [family income](#).

## Income tests for the private health insurance rebate

When estimating your income for private health insurance rebate purposes, you need to think about how your circumstances may affect whether the single or family threshold applies, including:

- whether you or your spouse expects an increase in income in the income year – for example, from a promotion, change in employment, or overtime
- your single or family status – for example, having a partner at the end of the income year
- whether any dependent children will no longer be in your care
- if any dependent children are
  - turning 21 years old
  - older than 21 and under 25 years old, and no longer in full-time study.

Each adult covered by the policy is income tested:

- to determine their entitlement to a private health insurance rebate, regardless of who pays for the insurance policy
- on their share of the cost of the insurance policy.

Your circumstances may affect the income test for your private health insurance rebate:

- [One adult covered by a policy](#)
- [Multiple adults covered by a policy](#)
- [Dependent persons covered by a policy](#)

- [Dependent person-only policies](#)

## One adult covered by a policy

If you are the only adult covered by a private health insurance policy, your share of the policy for rebate purposes is the total cost of the policy excluding any **lifetime health cover** loading. You are income tested to determine your private health insurance rebate entitlement regardless of who pays for the policy.

### **Example: one adult covered by a policy without lifetime health cover loading**

In 2024–25, Narelle is single, 45 years old and the only adult covered by her private health insurance policy. She did not have any lifetime health cover loading.

On 1 July 2024, Narelle nominated to receive a premium reduction of 16.405%. On 1 April 2025, the rebate percentage was not adjusted by the government. As a result, the health insurer continued to provide Narelle with a premium reduction of 16.405% for premiums paid from 1 April 2025 to 30 June 2025.

Narelle paid premiums monthly as follows:

- \$752 between 1 July 2024 and 31 March 2025 after premium reductions of \$148.
- \$251 between 1 April 2025 and 30 June 2025 after premium reductions of \$49.

When Narelle lodges her 2025 tax return, her income for surcharge purposes is \$83,000. As her income is below \$93,000, Narelle's private health insurance rebate entitlement is:

- 24.608% for premiums paid between 1 July 2024 and 30 June 2025.

Because Narelle received less rebate than she was entitled to from her insurer through reduced premiums, she gets a refundable tax offset of \$98.30 in her 2025 tax return. This offset is listed on her notice of assessment.

### **Example: one adult covered by a policy with LHC loading – employer pays premiums**

Peta is 50 years old and is single. In 2024–25, Peta's employer pays for her private health insurance policy as a condition of her employment. The total cost of Peta's policy is \$1,200, which includes her lifetime health cover loading of \$200. This means the premiums eligible for the rebate total \$1,000. On 1 July 2024, Peta nominated to receive a 24.608% premium reduction for the policy. On 1 April 2025, the rebate percentage was not adjusted by the government and the health insurer continued to provide Peta with a premium reduction of 24.608% for premiums paid from 1 April 2025 to 30 June 2025.

Peta's employer pays premiums monthly as follows:

- \$715 between 1 July 2024 and 31 March 2025 after premium reductions of \$185.
- \$238 between 1 April 2025 and 30 June 2025 after premium reductions of \$62.

Peta lodges her 2025 tax return, and her income for surcharge purposes for the year is calculated as \$109,000. Peta's income falls into the income threshold for rebate entitlement of:

- 16.405% for premiums paid between 1 July 2024 and 31 March 2025.
- 16.405% for premiums paid between 1 April 2025 and 30 June 2025.

Because Peta received more rebate than she was entitled to from her insurer in form of reduced premiums, she incurs \$82.95 liability for this extra rebate she had already claimed. The liability is listed on her notice of assessment.

### **Multiple adults covered by a policy**

If a policy covers more than one adult, the premiums paid are divided into equal shares by the number of adults covered by the policy at the time of the payment, regardless of who paid the premium or whether the adults on the policy are a part of a couple.

Each adult's share of the policy is equal to the total cost of the policy divided by the number of adults covered by the policy at the time of payment.

When they lodge their tax return, each adult is income tested to determine their private health insurance rebate entitlement for their share of the cost of the policy. As each adult will be income tested according to their circumstances, there may be different outcomes for each of them.

### **Example: single adult sharing a policy**

Mike (26) and Elle (22) are both single and live together in shared accommodation. For convenience, they take out a private health insurance policy together in 2024–25, which is paid monthly as a joint expense of the house.

The policy costs \$1,000, which means they each have a \$500 share in the policy. They do not claim the rebate as a premium reduction.

Mike's income is \$150,000 and he is not entitled to any rebate when he lodges his 2025 tax return.

Elle's income is \$55,000 and she is entitled to a 24.608% rebate from the government in the form of refundable tax offset for premiums paid between 1 July 2024 and 30 June 2025 (the rebate percentage was not adjusted by the government on 1 April 2025).

### **Example: divorced adults covered by the same policy**

Zoe and Charlie got divorced in January 2025. However, they shared the same complying private health insurance policy throughout 2024–25. Under their family agreement, Zoe pays for her share as well as Charlie's share of the premiums on a monthly basis. They did not pay any lifetime health cover loading.

On 1 July 2024, Zoe nominated to receive a premium reduction of 24.608%. On 1 April 2025, the rebate percentage was not adjusted by the government and, as a result, the health insurer

continued to provide Zoe with a premium reduction of 24.608% for premiums paid from 1 April 2025 to 30 June 2025. Zoe paid premiums monthly as follows, which adds up to:

- \$1,131 between 1 July 2024 and 31 March 2025 after a premium reduction of \$369
- \$377 between 1 April 2025 and 30 June 2025 after a premium reduction of \$123.

Zoe and Charlie will be income tested on the policy in equal shares. Any rebate entitlement they are individually eligible for applies to their own share of the policy. Their individual share of the policy is:

- \$565 between 1 July 2024 and 31 March 2025 after a premium reduction of \$185
- \$188 between 1 April 2025 and 30 June 2025 after a premium reduction of \$62.

Zoe and Charlie are both under 65 years old. Zoe has an income of \$116,000 and Charlie has an income of \$144,200. They are both assessed under the income thresholds as single because they are not married on the last day of the income year and do not have any dependent children.

Zoe's individual income means that her rebate entitlement is:

- 8.202% for premiums paid between 1 July 2024 and 31 March 2025
- 8.202% for premiums paid between 1 April 2025 and 30 June 2025.

When Zoe lodges her tax return for the year, she will need to pay some rebate back because she received more rebate than she was entitled to. Zoe will pay back:

- \$123.49 for the period 1 July 2024 – 31 March 2025
- \$41.50 for the period 1 April 2025 – 30 June 2025.

Zoe will incur a private health insurance liability of \$164.99 on her notice of assessment.

Because Charlie's individual income is above the top income threshold, he is not entitled to any rebate. Charlie will need to

pay back:

- \$185 for the period 1 July 2023 – 31 March 2024
- \$62 for the period 1 April 2024 – 30 June 2024.

Even though Charlie did not pay for the policy, he will receive a liability of \$247 on his notice of assessment for his share of the policy.

## Dependent persons covered by a policy

A dependent person is not income tested and their income does not count towards the income test for private health insurance rebate. Therefore, a dependent person on a private health insurance policy is not considered to have a share of the cost of the policy.

Your private health insurer can advise you who is covered as a dependent person on your policy.

### Example: dependent student covered by a family policy

Caroline and Gordon are married with a son, Archie. Archie is 19 years old, studying full time at university, and he earns \$95,000 a year as a part-time model. Under the rules of their private health insurer, Archie is classified as a dependent student because he is studying full time. Because Archie is covered by the family policy, he is:

- covered as a dependent student and his income is not taken into consideration for the family income threshold
- not income tested for any share of the policy because he is not entitled to a private health insurance rebate
- exempt from the Medicare levy surcharge as he has an appropriate level of private patient hospital cover for the full year.

## Dependent person-only policies

A dependent person covered by a dependent person-only policy is **not** entitled to a private health insurance rebate. Therefore, a dependent

person is not income tested.

## Prior year thresholds and rebate rates

For prior year private health insurance thresholds and rebate rates from 2023–24 to 2019–20, see:

- [Income thresholds and rates for the private health insurance rebate 2024](#)
- [Income thresholds and rates for the private health insurance rebate 2023](#)
- [Income thresholds and rates for the private health insurance rebate 2022](#)
- [Income thresholds and rates for the private health insurance rebate 2021](#)
- [Income thresholds and rates for the private health insurance rebate 2020](#)

You can find private health insurance thresholds and rebate rates prior to 2019–20 at [Prior year tax return forms and schedules](#).

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## Your private health insurance statement

Your statement gives you information about your private health insurance premiums and private patient hospital cover.

**Last updated** 12 June 2025

## On this page

[How you receive your statement](#)

[Understanding the details on your statement](#)

[Why there are 2 lines of information on your statement](#)

[Example statement](#)

## How you receive your statement

It is optional for health insurers to provide you with a private health insurance statement. A statement may only be provided if you request one from your registered health insurer.

If you lodge your tax return through myTax or use a registered tax agent, your health insurance details should be pre-filled, for more information see **Pre-filling your online tax return**. If your health insurance details are not pre-filled or you lodge a paper tax return, contact your health insurer to get a private health insurance statement so that you can complete your tax return.

The statement will also help you complete the Medicare levy surcharge (MLS) related items on your tax return.

If you share your policy with another adult, you can each ask for your own statement showing equal shares of the premium.

## Understanding the details on your statement

The following information explains what each label on your private health insurance statement means:

- [Health insurer ID](#)
- [Membership number](#)
- [Your premiums eligible for Australian Government rebate](#)
- [Your Australian Government rebate received](#)
- [Benefit code](#)
- [Other adult beneficiaries for the policy](#)

- [Number of days this policy provides an appropriate level of private patient hospital cover](#)

## **Health insurer ID**

This unique code helps us to identify your private health insurer.

## **Membership number**

This is the number that your fund gave you for your policy.

## **Your premiums eligible for Australian Government rebate**

This is your share (in dollars) of the premiums that have been paid for your policy. Note that:

- it doesn't include any lifetime health cover loading
- it doesn't matter if you didn't pay for the policy. If you are an adult covered by the policy when the payments were made, you are entitled to receive a share of the rebate based on your share in the policy
- your share will be the amount paid for the policy divided by the number of adults on the policy – for example, if the total payments for a premium are \$2,000 and 2 adults are covered by the policy, then your share of premiums eligible for the rebate will be \$1,000.

## **Your Australian Government rebate received**

This is your share (in dollars) of the private health insurance rebate that you have received by reduced premiums from your insurer. Your share will be the amount of reduced premiums received on your policy divided by the number of adults on the policy.

## **Benefit code**

Your level of rebate is calculated on the age of the oldest person covered by the policy. We use the benefit code to apply the right level of rebate.

The valid benefit codes are 30, 31, 35, 36, 40 and 41.

If the oldest person's age is:

- under 65, the code for the period
  - 1 July to 31 March is **30**
  - 1 April to 30 June is **31**
- 65 to 69, the code for the period
  - 1 July to 31 March is **35**
  - 1 April to 30 June is **36**
- 70 or over, the code for the period
  - 1 July to 31 March is **40**
  - 1 April to 30 June is **41**.

The benefit code is different to the tax claim code (A, B, C, D, E or F). The tax claim code is based on your circumstances on 30 June. If you're unsure of your tax claim code, see [myTax tax return instructions](#).

## Other adult beneficiaries for the policy

If your policy covered more than one adult at the time the payments were made, then the other beneficiaries will be listed here.

Note that:

- if you and your spouse were on the policy for the same period of time and payments, your spouse's name would be listed to indicate they shared the overall costs of the private health insurance policy
- if you were on a single policy for the whole year, there will be no other adult beneficiaries on the policy.

## Number of days this policy provides an appropriate level of private patient hospital cover

This is the number of days your policy provided you with an appropriate level of private hospital insurance cover. The Medicare levy surcharge may apply if you and your dependants did not have an appropriate level of this cover for the full year.

## Why there are 2 lines of information on your statement

There are 2 lines of information on your private health insurance statement because, on 1 April each year, generally your rebate percentage is adjusted by a rebate adjustment factor.

One line of information on your statement will be for the premiums paid and rebate received before 1 April. The other line will be for premiums paid and rebate received from 1 April. Each line will have a different Benefit code.

There may also be 2 or more lines because the oldest person covered by the policy turned 65 or 70 years old during the year. If this occurs, all adults covered by the policy are entitled to a higher rebate percentage (provided their income for surcharge purposes has not reached the Tier 3 threshold). As with the annual adjustment of the rebate percentage on 1 April, each row will have a different benefit code.

**Note:** Make sure you enter all lines of information into your income tax return separately, without performing any calculations.

## Example statement

Below is a sample private health insurance statement for 2024–25. You should receive something similar, by mail, email, or online link, from your private health insurer if you requested a copy.

### Example: Private health insurance statement

Private health insurance statement, 1 July 2024 to 30 June 2025 – Stephen Smith

Private health insurance statement, 1 July 2024 to 30 Smith

Health insurer ID	Membership number	Your premiums eligible for Australian Government rebate	Your Australian Government rebate received

<b>B</b> ABC	<b>C</b> 123456	<b>J</b> 1,125	<b>K</b> 375
<b>B</b> ABC	<b>C</b> 123456	<b>J</b> 377	<b>K</b> 123

If you have more than one line of information in the table above, make sure each line is input separately into your income tax return. Do not add up amounts reported in any column or row to input its total.

<b>M2</b>	<b>Medicare Levy Surcharge</b>
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If you and all your dependants (including your spouse) did not have an appropriate level of private patient hospital cover for the full financial year (365 days), you may be liable for Medicare Levy Surcharge.

Number of days this policy provides an appropriate level of private patient hospital cover	<b>A</b>	365
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## Overseas visitors – private health insurance on your tax return

Help for overseas visitors to complete the Medicare levy surcharge and private health insurance section on a tax return.

**Last updated** 12 June 2025

## On this page

[Completing private health insurance details on your tax return](#)

[If you have an overseas health insurer](#)

[If you have a complying health insurance policy](#)

[If you are not eligible for Medicare](#)

[Overseas student or overseas visitors health cover](#)

## Completing private health insurance details on your tax return

Use this information to help you complete the Private health insurance policy details section and the Medicare levy surcharge section in your tax return.

For help on how to complete the Private health insurance policy details section and the Medicare levy surcharge section in your tax return in **myTax**, see **Overseas visitors**.

If you have a health insurance policy, see the table below. Depending on the type of policy you have, and your eligibility for Medicare, it shows if you:

- are eligible for the private health insurance rebate
- need to complete the private health insurance details on your tax return.

### Guide for overseas visitors by health insurance policy type

Policy type	Eligible for Medicare	Eligible for private health insurance rebate	Complete private health insurance details
Policy from overseas	Not applicable	No	No

health insurer			
Complying health insurance policy from Australian-registered health insurer	Yes	Yes	Yes
Complying health insurance policy from Australian-registered health insurer	No	No	No
OSHC or OVHC from Australian-registered health insurer	Not applicable	No	No

For further instructions to help complete a paper tax return, see [Individual tax return instructions – M2 Medicare levy surcharge](#).

## If you have an overseas health insurer

If your private health insurance provider is an overseas provider that is not registered in Australia, you:

- will not be eligible for any rebate on your policy
- you may need to pay the **Medicare levy surcharge** if you don't meet the conditions for a **Medicare levy exemption**.

In this case, when completing your tax return (paper tax return), you should:

- answer **No** at label **E** question **M2** Medicare levy surcharge
- work out the number of days you do not have to pay the Medicare levy surcharge (if you qualify for a Medicare levy exemption you will

also be exempt from paying the Medicare levy surcharge) and complete label **A** question **M2** Medicare levy surcharge as per the Individual tax return instructions

- **not** complete the private health insurance policy details section.

## If you have a complying health insurance policy

You will need to determine if you are eligible for Medicare, if you are **not** eligible see – [If you are not eligible for Medicare](#).

If you **are** eligible for Medicare, you can ask for a private health insurance statement from your insurance provider if:

- you have an Australian-registered complying health insurance policy
- you are a private health insurance incentive beneficiary (PHIB).

When completing your tax return (paper tax return), if you and all of your dependents were covered under a complying health insurance policy for the full year with the appropriate level of private patient hospital cover, you should:

- answer **Yes** at label **E** question **M2** Medicare levy surcharge (see the *Individual tax return instructions* when completing the other parts of question **M2**)
- complete the private health insurance policy details section.

## If you are not eligible for Medicare

If you are an overseas visitor who is **not** eligible for Medicare, you are **not** entitled to any private health insurance rebate.

However, you can still purchase a complying health insurance policy with an Australian-registered health insurer. You will receive a private health insurance statement. Your statement will show the amount of premiums paid (at label **J**), while the rebate received at label **K** will be zero (\$0).

If the complying health insurance policy provides you and all of your dependants with the appropriate level of private patient hospital cover, you will be eligible to claim an exemption from the Medicare levy surcharge.



When completing your tax return (paper tax return), you must:

- answer **No** at label **E** question **M2** Medicare levy surcharge
- **not** complete the private health insurance policy details section.

If you and all of your dependants, including your spouse, were:

- covered under the appropriate level of private patient hospital cover for the full year, write **365** at label '**A** – Number of days you do not have to pay the surcharge
- not covered under the private patient hospital cover for the full year, answer **No** at label **E** and follow the *Individual tax return instructions* to complete the rest of question **M2**.

## Overseas student or overseas visitors health cover

If you are an overseas visitor, you can purchase [Overseas student health cover](#)  (OSHC) or [Overseas visitors health cover](#)  (OVHC) from an Australian-registered health insurer. These are not complying health insurance policies, and you will not be eligible for the private health insurance rebate.

When completing your tax return (paper tax return) as an overseas visitor with OSHC or OVHC:

- answer **No** at label **E** question **M2** Medicare levy surcharge
- work out the number of days you are eligible for exemption from the Medicare levy surcharge and complete label **A** question **M2** Medicare levy surcharge as per the *Individual tax return instructions*
- do **not** complete the private health insurance policy details section.

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## Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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