



Australian Taxation Office

**1986 Medicare Levy
Exemptions and Reductions
— including Schedule M**

Fill in Schedule M if:

- your taxable income is more than \$7526 and
 - you ticked YES to any of the groups at question 45 on Form S; **or**
 - you were in any of the groups at Item 50 on Form A or B.
- you are a trustee claiming an exemption or reduction in the amount of levy payable in respect of a beneficiary under a legal disability whose share of the net income of a trust estate is more than \$7526 (see 'The 1986 Form T Instructions').

We will work out the levy (if any) you have to pay.

If you want to work it out yourself, a calculation block is included in this form.

DO NOT fill in Schedule M if:

- your taxable income is less than \$7527.
(We do not need this form even though you may have ticked YES at any of the groups at question 45 on Form S).

If your taxable income is less than \$7527 you do not have to pay the levy. If the levy has already been taken out of your salary, pension, etc., we will give it back to you or put it towards any tax you owe.

If you want more information, please read the leaflet called 'Income tax and Medicare levy exemptions and reductions'. This leaflet is available from Taxation Offices and most Post Offices.

Note 1

Your spouse

is the person you lived with as husband and wife whether you were married or not.

If you were married but living apart we do not regard you as having a spouse.

If your spouse died during the year ended 30/6/86 and you did not have a spouse for the rest of the year, we regard you as having had a spouse on 30/6/86.

A dependent child or student

is an Australian resident who you maintained AND who was:

- a full-time student under 25 at school, college or university whose separate net income was less than \$1786 if maintained by you for the whole year, otherwise \$281 plus \$28.94 for each week maintained by you;
- the first child under 16 who was not a student whose separate net income was less than \$1786 if maintained by you for the whole year, otherwise \$281 plus \$28.94 for each week maintained by you; or
- every other child under 16 who was not a student whose separate net income was less than \$1410 if maintained by you for the whole year, otherwise \$281 plus \$21.72 for each week maintained by you.

A child or student living overseas can ONLY be included if

- temporarily away from Australia, or
- waiting early migration to Australia.

Note 3

You maintained a dependant if you:

- gave the dependant food, lodging or clothing OR
- helped to pay for the dependant's living, medical or educational expenses.

For any period you and the dependant lived together we regard you as having maintained the dependant even if he or she had a separate net income. For example, a husband and wife living together are dependants of one another and if each has a separate net income each is considered to have maintained the other.

Separate net income means:

the income which a dependant got from all sources during the period you maintained the dependant (even if the income is free of tax) LESS any expenses the dependant had to meet in getting that income.

Note 2

A dependant

is an Australian resident who you maintained AND who was:

- **Your spouse** that is the person you lived with as husband and wife whether you were married or not.
- **Your child or your spouse's child**
 - under 16;
 - aged 16 to 24 who was a full-time student at school, college or university and who had a separate net income less than \$1786 if maintained by you for the whole year, otherwise \$281 plus \$28.94 for each week maintained by you.

If two parents living apart both maintain a child or student, we regard the child or student as being the dependant of the parent who could claim family allowance.

Separate net income includes

any part of a scholarship or bursary which is paid to help students with their living expenses.

Separate net income does NOT include:

- family allowances (child endowment) including the family allowance component of payments made under the Tertiary Education Assistance Scheme (TEAS);
- family income supplement;
- handicapped child's allowance;
- Australian Government benefits paid for nursing care;
- Australian Government allowances paid to help with the education of isolated children.

When working out the separate net income of a dependant do not deduct any tax instalments.

How to fill in your Schedule M

Detach here ►

- Answer all the questions below (unless told otherwise). The questions will tell you what to claim for on Schedule M.
- If you are a trustee claiming in respect of a beneficiary, answer as if you were the beneficiary and write the name of the beneficiary at the bottom of Schedule M.

A I had a spouse (married or de facto) on 30/6/86 and our combined taxable income is less than \$13 163 plus \$1611 for each dependent child or student.

B I am entitled to a rebate as a sole parent or for a housekeeper or daughter-housekeeper and my taxable income is less than \$13 163 plus \$1611 for each of my dependent children or students.

C A Health Card holder (not Medicare Card holder) whose income or spouse's income was not taken into account in determining eligibility for the card.

D Under Defence Force or Repatriation arrangements, a person entitled to full free medical treatment for all conditions.

E A non-resident of Australia or resident of Norfolk Island or Cocos (Keeling) Islands, or a person certified by the Minister for Health as not entitled to Medicare benefits.

F A member of a diplomatic mission or consular post in Australia (or a member of such a person's family) who was not an Australian citizen and does not ordinarily live in Australia.

1. Were you in any of the above groups in the 1985-86 financial year?

- No You should not fill in Schedule M.
Yes Go to question 2.

2. Were you in group A or B?
Read Notes 1 and 3.

- No Go to question 3.
Yes Claim for a Reduction.

3. Were you in group C, D, E or F?

- No You do not have to answer any more questions.
Yes Go to question 4.

4. Was there a time when you were in group C, D, E or F and you had no dependants?
Read Notes 2 and 3.

- No Go to question 5.
Yes Claim for a Full Exemption for the number of days this applied to you.

5. Was there a time when you were in group C, D, E or F and each of your dependants was in group C, D, E or F?

- No Go to question 6.
Yes Claim for a Full Exemption for the number of days this applied to you.

6. Was there a time when you were in group C or D and you had a dependant who was not in group C, D, E or F?

- No Go no further.
Yes Claim for a Half Exemption for the number of days this applied to you.

Detach here ►

If you want to work out your Medicare levy use this page.

Levy to be paid

Basic Levy — from block 1 below. \$ _____

Take away your share of any 'Family Reduction Amount' — from block 2 below. \$ _____

Net basic levy. \$ _____

Take away any 'Exemption Adjustment' — from block 3 below. \$ _____

Levy payable. \$ _____

1 Basic Levy

If your taxable income is:

- over \$7922, your BASIC LEVY is 1% of your taxable income.
- in the range from \$7527 to \$7922, your BASIC LEVY is 20% of the amount that your taxable income is more than \$7526.
- below \$7527, your BASIC LEVY is NIL.

If the taxable income of your spouse is more than \$7526 you will share the Family Reduction Amount as shown below.

$$\frac{(\text{Amount at (c)} \times \text{Your taxable income})}{\text{Your family income}}$$

$$\$ \frac{\quad \times \quad}{\$} = \$ \underline{\hspace{2cm}}$$

2 Family Reduction Amount for groups A and B

Your family income is:

If you had a spouse (married or de facto) on 30/6/86, — your taxable income plus your spouse's taxable income.
 If you did not have a spouse on 30/6/86 but were entitled to one of the rebates listed in group B, — your own taxable income.

Your lower and upper limits are:

(work this out from the number of dependent children and students you had).

| Number of dependent children and students | Your lower limit | Your upper limit |
|---|------------------|------------------|
| 0 | \$12 504 | \$13 163 |
| 1 | \$14 034 | \$14 774 |
| 2 | \$15 564 | \$16 385 |
| 3 | \$17 094 | \$17 996 |
| 4 | \$18 624 | \$19 607 |
| 5 | \$20 154 | \$21 218 |

(For each additional dependent child or student, ADD \$1530 to your lower limit and \$1611 to your upper limit.)

If your family income was:

- less than or equal to your lower limit, your Family Reduction Amount is the same as your basic levy.
- between your lower and upper limits, work out your Family Reduction Amount below.

To work out Family Reduction Amount

Your family income \$ _____

Take away your lower limit \$ _____ (a)

\$ _____ (b)

1% of (a) \$ _____

Take away 19% of (b) \$ _____

Family Reduction Amount \$ _____ (c)

Your Family Reduction Amount cannot be more than the basic levy you must pay. If it is, the difference will be taken off the levy your spouse must pay. Similarly any excess Family Reduction Amount your spouse has is transferred to you.

Show any excess Family Reduction Amount transferred from your spouse. \$ _____

Add both amounts to get your share of the Family Reduction Amount. \$ _____

3 Exemption Adjustment for groups C, D, E and F

• Full exemption.

$$\frac{(\text{Net basic levy} \times \text{Number of days at claim for full exemption})}{365}$$

$$\$ \frac{\quad \times \quad}{365} = \$ \underline{\hspace{2cm}}$$

• Half exemption.

$$\frac{(\text{Net basic levy} \times \text{Number of days at claim for half exemption})}{(365 \times 2)}$$

$$\$ \frac{\quad \times \quad}{(365 \times 2)} = \$ \underline{\hspace{2cm}}$$

Add both amounts to get your Exemption Adjustment. \$ _____

Medicare Levy Exemptions and Reductions



Australian Taxation Office

1986 Schedule M

Please pin this Schedule to Page 3 of your return form.

This Schedule is part of the income tax return of:

Full name—please print

Signature

File number

| | | |
|--|--|--|
| | | |
|--|--|--|

Claim for a full exemption

How long are you claiming for?

from to

Including weekends—how many days in this?

Which group were you in during this time?

If you had dependants explain on the back of this page which group they were in.

Claim for a half exemption

How long are you claiming for?

from to

Including weekends—how many days is this?

Which group were you in during this time?

Claim for a reduction

Spouse's details—if you did not have a spouse on 30/6/86 put '0' in the box at

- Your spouse's 1985-86 taxable income? If none, write '0'.
- Your spouse's surname and christian or given names.

Amount—do not show cents

How many dependent children and students did you maintain in 1985-86?

Details of your dependent children and students.

If these details are on a Zone or Overseas Forces rebate claim, do not fill in this part. If you need more space, use the back of this page.

Students under 25

Name (show also name of school, college or university. Also show period as a full-time student if less than a full year).

Date of birth

Address. If with you, write 'WITH ME'.

Period maintained by you. If full year, write 'FULL YEAR'.

Separate net income. If none, write 'NONE'.

| | | | | | | |
|--|-----|--|-----|----|-----|----|
| | / / | | / / | to | / / | \$ |
| | / / | | / / | to | / / | \$ |
| | / / | | / / | to | / / | \$ |

Children under 16 who were not students

Name

Date of birth

Address. If with you, write 'WITH ME'.

Period maintained by you. If full year, write 'FULL YEAR'.

Separate net income. If none, write 'NONE'.

| | | | | | | |
|--|-----|--|-----|----|-----|----|
| | / / | | / / | to | / / | \$ |
| | / / | | / / | to | / / | \$ |

Trustee cases only—Complete a separate Schedule M for each beneficiary in respect of whom you are claiming an exemption or a reduction.

Name of beneficiary

Do not write in this space

 f

