

MEDIA RELEASE:

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DON'T BE HIT BY THE MEDICARE LEVY AT TAX TIME

The latest ATO statistics released today show 768,537 Australians have been stung by the Medicare Levy Surcharge, an increase of more than 150,000 on the previous year and are paying an average \$1,318 in extra tax.

Thousands of Australians battling unprecedented cost of living challenges risk being hit with an unexpected tax penalty if they don't have private health insurance.

The Medicare Levy Surcharge kicks in if you earn above a set amount during the financial year and don't maintain private health insurance cover, resulting in a bill from the tax man.

Matthew Koce, CEO of the peak body for not-for-profit and member-owned health insurers, Members Health Fund Alliance, warned Australians to be prepared if they don't have health insurance, as they could find themselves with an unexpected tax bill.

"During the current financial year, the Medicare Levy Surcharge applies to singles who earn over \$97,000 and families who earn over \$194,000 but that will soon change. From 1 July 2025, thresholds will rise slightly to \$101,000 for singles and \$202,000 for families," Mr Koce said.

"Be warned that depending on how much you earn; you could be charged anywhere between 1 per cent to 1.5 per cent of your income when you lodge your tax return. For some this could be hundreds of dollars while others could pay thousands."

The Medicare Levy Surcharge aims to encourage individuals to take out private hospital cover and use the private system to reduce the demand on overstretched public hospitals.

"If you have private health insurance, you have greater control over your healthcare and can avoid the very long and uncertain public hospital waits," Matthew Koce said.

"There is nothing more important than your health and that of your loved ones and there is enormous value that comes with peace of mind around fast access to high quality care with doctor of choice."

To avoid paying the Medicare Levy Surcharge you must have approved hospital insurance. Knowing what level of cover to take out and if you also need extras for things like dental, optical and physio can be confusing.

To make sure you are getting the best possible deal and advice, contact a few of the mutual not-for-profit insurers directly for a chat. The not-for-profit and member owned health funds don't need to generate revenue for shareholders or overseas investors and that means they can offer lower prices and better benefits than would otherwise be the case" Mr Koce explained.

A full list of Members Health funds can be found at www.membershealth.com.au/our-funds/

Members Health is the peak industry body for an alliance of 24 health funds that are not-for-profit or part of a member-owned group, regional or community based. They all share the common ethic of putting their members' health before profit. Our funds represent the interests of more than 5.4 million Australians.

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Putting members' health before profit

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