



## ASSISTANT TREASURER

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**PRESS  
RELEASE**

### **MEDICARE LEVY CHANGES TO BRING GREATER EQUITY AND ASSIST LOW-INCOME EARNERS BECOME LAW**

The Assistant Treasurer, Senator Nick Sherry, has welcomed the passage through Parliament today of the Rudd Government's increase in the Medicare levy threshold.

"This measure will ensure Australians on lower incomes remain exempt from the Medicare levy and is a significant measure to boost greater equity and fairness in our tax system," the Assistant Treasurer said.

The amendments were announced in the 2010-11 Budget and mean that from the 2009-10 income year, the Medicare levy low-income threshold will increase to \$18,488, up from \$17,794, for singles and to \$31,196, up from \$30,025, for couples.

For families, the additional amount of threshold for each dependent child or student will also be increased to \$2,865, up from \$2,757.

The Medicare levy low-income threshold for pensioners below Age Pension age has also been increased. From 1 July 2009, the threshold will rise to \$27,697, up from \$25,299.

This will ensure that pensioners below Age Pension age do not pay the Medicare levy when they do not have an income tax liability and receive the full benefit of the increase in the pension announced by the Government in the 2009-10 Budget.

The threshold in the Medicare levy surcharge provisions for an individual family member on a low income has also increased to ensure they will continue to be exempt from the Medicare levy and Medicare levy surcharge.

The increases in thresholds take into account movements in the Consumer Price Index.

"These changes continue the work of the Rudd Government to ease the cost of living for all Australians," the Assistant Treasurer said.

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**Contact:** Joe Scavo 0413 800 757