

Medicare Levy

The Medicare Levy is a tax Australian residents pay to cover health care charges. It is payable on taxable income, in addition to income tax. Individuals and families on higher incomes who do not have an appropriate level of private hospital cover may have to pay the **Medicare levy surcharge**.

The Medicare Levy is usually calculated at 1.5% of your taxable income, however this rate can vary depending on individual circumstance. You may be exempt from the levy or it may be reduced if you have a low income or are a prescribed person.

A **Medicare Levy Calculator** is available on the ATO website to help you work out your financial obligation.