

Tax Facts - 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](#).

For the 2014-15 and later income years, Medicare Levy is usually calculated at 2% of taxable income. A [reduction](#) in the rate is available for people on low incomes and an [exemption](#) is available for people in certain categories.

A [Medicare Levy Calculator](#) is available on the Australian Taxation Office (ATO) web site to help you work out your obligation.

MORE: See the [Medicare Levy Essentials](#) section of the ATO web site.