

## Reciprocal Agreements

### Who is eligible for Medicare?

The Australian Government has signed reciprocal Health Care Agreements (RHCA) with the following countries: the United Kingdom, New Zealand, Republic of Ireland, Sweden, Finland, Norway, Belgium, Netherlands, Italy and Malta

### Those from the United Kingdom, Sweden, Finland, Norway, Belgium and the Netherlands:

- Receive a Reciprocal Medicare Card for the duration of their stay in Australia, from a Medicare office. Eligibility is determined by Medicare - they must have come directly from their home country to Australia i.e. have been paying tax recently in their home country. (Take proof of your country of citizenship/residence i.e. your passport)
- Receive medically necessary treatment in a public hospital
- Are entitled to claim benefits from Medicare if they obtain a Reciprocal Medicare Card. Please note: some services may not be claimable.
- Receive pharmaceuticals at subsidised Pharmaceutical Benefits Scheme (PBS) levels, which is the same cost as Australians pay (by presenting their Reciprocal Medicare Card)
- Cannot seek exemption from the Medicare Levy (1.5%).
- Will be liable to pay the Medicare Levy Surcharge of 1% (MLS)

### Those from the Malta and Italy:

- Receive a Reciprocal Medicare Card for the first 6 months of their stay in Australia, from a Medicare office. Eligibility is determined by Medicare - they must have come directly from their home country to Australia i.e. have been paying tax recently in their home country. (Take proof of your country of citizenship/residence i.e. your passport)
- Receive medically necessary treatment in a public hospital are entitled to claim benefits from Medicare if they obtain a Reciprocal Medicare Card. Please note: some services may not be claimable.
- Receive pharmaceuticals at subsidised Pharmaceutical Benefits Scheme (PBS) levels, which is the same cost as Australians pay (by presenting their Reciprocal Medicare Card)
- Cannot seek exemption from the Medicare Levy (1.5%) for the period they hold a Reciprocal Medicare Card.
- Will be liable to pay the Medicare Levy Surcharge of 1% (MLS) for the period they hold a Reciprocal Medicare Card

### Those from the Republic of Ireland and New Zealand:

- Do not receive a Reciprocal Medicare Card
- Receive medically necessary treatment in a public hospital (by showing their passport)
- Receive pharmaceuticals at subsidised Pharmaceutical Benefits Scheme (PBS) levels, which is the same cost as Australians pay (by showing their passport)
- Can seek exemption from the Medicare Levy (1.5%) by completing the Medicare Levy Exemption form, and lodging this at the end of each tax year, with the Medicare Levy Exemption Unit in Hobart. If the exemption is granted, the refund of the 1.5% Medicare Levy is processed through the annual tax return.
- Will not be liable to pay the Medicare Levy Surcharge of 1% (MLS)

**Please note: If you are a New Zealand citizen residing in Australia and are not on a temporary resident visa, you may be able to establish permanent residency and therefore be eligible to enrol in Medicare. You need to check your Medicare eligibility before applying for IMAN Australian Health Plans.**

### **Medicare Levy Exemption**

If you have no access to a **Reciprocal Medicare Card**, you may be exempt from the Medicare Levy of 1.5%. More details:

[http://www.medicareaustralia.gov.au/public/files/ma\\_3169\\_application\\_for\\_certification\\_for\\_medicare\\_levy\\_exemption\\_purposes\\_011005.pdf](http://www.medicareaustralia.gov.au/public/files/ma_3169_application_for_certification_for_medicare_levy_exemption_purposes_011005.pdf)

### **The Medicare Levy Surcharge (MLS)**

Under Australian Taxation Law, anyone who holds a Medicare Card or who is entitled to hold a Medicare Card, has to pay the 1.5% Medicare Levy.

If they do not have "appropriate" Private Health Insurance, they also have to pay the 1% Medicare Levy Surcharge (MLS), which is a surcharge levied by the Tax Department. This surcharge is applied to incomes over \*\$77,000 per annum (for a single person) and over \*\$154,000 per annum (for a couple), where appropriate Private Health Insurance is not held for the duration of the financial year, and is payable after assessment of an individual's tax return at the end of each financial year.

For more information on whether you may be in the bracket to pay the MLS, access the Australian Health Industry Association (AHIA) [calculator](#). You may also like to refer to the [Australian Taxation Office website](#).

Overseas Visitors Health Plans or Insurance Policies are not classified as "appropriate" Private Health Insurance for MLS exemption purposes. Even if you take out OVHC, it WILL NOT exempt you from the Medicare Levy Surcharge. You can join a basic level of hospital cover with nib (nib health funds limited) which will do this. (Please note that benefits payable on the basic level of hospital cover offered by nib are restricted and therefore do not meet the health insurance requirements of sponsorship.)

Information on how to avoid the MLS, can be obtained from our Underwriter, nib health funds limited on 13 14 63. Or visit their [website](#).

\* Income thresholds for 2010/2011 financial year.

Updated 26/07/10