The Federal Government will commence income testing to determine the level of rebate on private health insurance and will increase the Medicare Levy Surcharge (MLS) for high income earners from 1 July 2012.

Although the rebate has been important to help with the affordability of private health cover, we shouldn’t lose sight of the importance of health cover and the benefits it provides to you.

Private health insurance gives you peace of mind that you and your family can access private health care if the unexpected occurs.

Bupa would like to work closely with your organisation to ensure that the impacts of these changes are minimised for you. Please find below some more information that may assist you in helping you to understand what the changes mean for you.

Changes to the Private Health Insurance rebate entitlements and increase to the Medicare Levy Surcharge

It’s important to note that singles who earn $84,000 or below or couples/families on $168,000 or below will not be affected.

Below is the information we have provided to affected members along with some further information (See attached brochure). If you are impacted we encourage you to read the letter with the accompanying brochure and contact the ATO or your financial advisor for advice.

What will our members need to do?

If you are affected by these changes there are a couple of options to consider:

If you claim the rebate as a premium reduction:

**Option 1:** Do nothing and continue to claim your rebate upfront as a premium reduction. Any amount over and above your entitlement will be taken into account when you lodge your 2012/2013 tax return.

**Option 2:** Nominate a new rebate tier to avoid a tax liability when you do your tax return. This can be done easily by registering at bupa.com.au/myBupa. By nominating a rebate tier your rebate will be reduced and your health insurance payments will increase for any payments made after 1 July 2012.
If you claim the rebate via Medicare or as part of your annual tax return:

**Option 1:** Do nothing and continue to claim your rebate using your chosen method. Your rebate entitlement will be taken into account when you lodge your 2012/2013 tax return.

**Option 2:** Register to receive your rebate as a premium reduction and then nominate a rebate tier to avoid a tax liability when you do your tax return. Simply go to bupa.com.au/myBupa to register for the rebate and nominate a rebate tier.

*Save money now. Prepay health insurance premiums by 30 June 2012 and protect your current rebate*

To reduce the financial impact in 2012/2013, Bupa will be accepting prepayment of 12 months premiums. Paying your full premium for the financial tax year of 2012/2013 in advance will delay the impact of the income testing until the 2013/2014 financial tax year. To make a prepayment, call us on 134 135 or visit your local Bupa centre to discuss further.

*Giving you continual peace of mind*

There are many good financial and practical reasons for keeping your health cover, but the peace of mind it gives you and your family is just as important. With Bupa you can rest assured knowing your health needs are covered, as we’re committed to offering high-quality cover to meet your needs now and in the future.

Yours sincerely,  

The Bupa Corporate team

*Call To Actions:*
- Call 134 135
- Visit bupa.com.au/myBupa
- Drop by your local Bupa centre