

2019-2020-2021

The Parliament of the
Commonwealth of Australia

HOUSE OF REPRESENTATIVES

Presented and read a first time

**Private Health Insurance Amendment
(Income Thresholds) Bill 2021**

No. , 2021

(Health)

A Bill for an Act to amend the *Private Health Insurance Act 2007*, and for related purposes

Contents

1	Short title.....	1
2	Commencement.....	1
3	Schedules.....	2
	Schedule 1—Amendments	3
	<i>Private Health Insurance Act 2007</i>	3

A Bill for an Act to amend the *Private Health Insurance Act 2007*, and for related purposes

The Parliament of Australia enacts:

1 Short title

This Act is the *Private Health Insurance Amendment (Income Thresholds) Act 2021*.

2 Commencement

- (1) Each provision of this Act specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

Commencement information

Column 1	Column 2	Column 3
Provisions	Commencement	Date/Details
1. The whole of this Act	1 July 2021.	1 July 2021

Note: This table relates only to the provisions of this Act as originally enacted. It will not be amended to deal with any later amendments of this Act.

- (2) Any information in column 3 of the table is not part of this Act. Information may be inserted in this column, or information in it may be edited, in any published version of this Act.

3 Schedules

Legislation that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.

Schedule 1—Amendments

Private Health Insurance Act 2007

1 Section 22-35

Repeal the section, substitute:

22-35 Private health insurance singles thresholds

- (1) A person's *singles tier 1 threshold* for the 2021-22 and 2022-23 financial year is \$90,000. This amount is indexed for later financial years under section 22-45.
- (2) A person's *singles tier 2 threshold* for the 2021-22 and 2022-23 financial year is \$105,000. This amount is indexed for later financial years under section 22-45.
- (3) A person's *singles tier 3 threshold* for the 2021-22 and 2022-23 financial year is \$140,000. This amount is indexed for later financial years under section 22-45.

Note: A person may be a tier 1 earner, tier 2 earner or tier 3 earner if the person's income for surcharge purposes exceeds the applicable threshold for that tier: see section 22-30.

2 Subsection 22-40(4) (example)

Repeal the example, substitute:

Example: If the person has 3 such dependants who are children, the person's family tier 2 threshold for the 2021-22 and 2022-23 financial year is:

$$\$210,000 + (\$1,500 \times 2) = \$213,000$$

3 Subsection 22-45(1)

Repeal the subsection, substitute:

- (1) An amount mentioned in section 22-35 is indexed for the 2023-24 financial year, and later financial years, in accordance with this section.

4 Paragraph 22-45(2)(a)

Repeal the paragraph, substitute:

- (a) firstly, multiplying the amount by the *indexation factor for the financial year under subsection (4); and

5 Subsection 22-45(2) (examples 1 and 2)

Repeal the examples, substitute:

Example 1: If the amount to be indexed is \$105,000 and the indexation factor increases this to an indexed amount of \$107,500, the indexed amount is rounded back down to \$107,000.

Example 2: If the amount to be indexed is \$140,000 and the indexation factor increases this to an indexed amount of \$142,500, the indexed amount is rounded down to \$142,000.

6 Subsections 22-45(3) to (3B)

Repeal the subsections, substitute:

- (3) However, do not index the amount for a financial year if the amount worked out under subsection (2) for the financial year is less than the amount applicable under section 22-35 or this section for the previous financial year.
- (3A) If the amount is not indexed for a financial year because of subsection (3), the amount for the financial year is the same as the amount for the previous financial year.

7 Subsection 22-45(4)

Repeal the subsection, substitute:

- (4) For the purposes of this section, the *indexation factor* for a financial year is:

*Index number mentioned in subsection (7) for the *quarter ending on 31 December just before the start of the relevant financial year

*Index number mentioned in subsection (7) for the *quarter ending on 31 December 2021

8 Subsection 22-45(5)

Repeal the subsection.

9 Subsection 22-45(6)

Omit “mentioned in subsection (4) or (5)”.

10 Application

The amendments of the *Private Health Insurance Act 2007* made by this Schedule apply in relation to the 2021-22 financial year and later financial years.