

# INTERNATIONAL MATTERS

# PROTECTING YOUR EXPATS

## DO YOU HAVE EXPATRIATE STAFF IN AUSTRALIA? ARE YOU CERTAIN YOU HAVE THEM ADEQUATELY COVERED?

Our National Health Act legislation is a labyrinth of conflicting and confusing rules and regulations, full of financial traps for expatriate staff and the companies that employ them. The risks of “not getting it right” in relation to Medicare eligibility, continuity of health fund membership, Lifetime Health Cover (LHC), and the Medicare Levy Surcharge (MLS) can result in costly penalties for both the expatriate employee and for the employer.

### GUARANTEED CONTINUITY OF COVER

Up to 1 July 2008 Guaranteed Continuity of Cover was provided by Australian Health Management Group (ahm) through an arrangement utilised by all Australian expatriate insurers. This arrangement was cancelled effective 1 July 2008.

Fortunately, **Willis Employee Benefits Expatriate Risks** have an arrangement with BUPA Australia Group to provide Guaranteed Continuity of cover on permanent return to Australia. **To learn more about this option, please contact us on 08 8224 4717.**

### MEDICARE LEVY SURCHARGE (MLS) EXEMPTION

Under Australian Taxation Law, anyone who is eligible for Medicare and lodges a tax return in Australia and does not qualify for Non Resident status and is not appropriately insured, is subject to the Medicare Levy Surcharge (MLS). This is a surcharge of 1% of gross income levied by the Tax Department after assessment of an individual’s tax return at the end of each financial year.

This levy therefore is separate to the Medicare Levy and applies to an employee’s gross income including exempt income earned overseas. It is currently applicable to incomes over \$70,000 per annum (for a single person) and over \$140,000 per annum (for a couple/family). These limits may change in the future.

Possible (MLS) Tax penalty if not appropriately insured	
Australian income e.g. rental property	\$ 35,000
Exempt income earned overseas	\$350,000
Total income for (MLS) purposes	\$385,000
<b>Tax Payable</b>	<b>\$ 3,850</b>

Expatriate health policies do not qualify as appropriate policies under the Medicare Levy surcharge definition hence do not offer a Medicare Levy surcharge exemption.

Expatriate employees who lodge a tax return in Australia, and who are subject to the MLS tax are able to endorse the expatriate policy through the inclusion of an MLS exemption table to eliminate the MLS surcharge for less than the cost of the surcharge.

With this endorsement employees will be issued with a “Private Health Insurance Statement” to accompany their tax return.

Your expatriate employees are able to enrol into a registered hospital table specifically designed to cover all legislative requirements.

### Indicative Willis Employee Benefits Premiums for this Facility

Medicare Levy Surcharge (MLS) eliminator		
Premium including 30% tax rebate	Single	\$423.36 per annum
	Couple /Family	\$846.72 per annum

For further information, please call Willis Employee Benefits:

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