

## MEDICAL EXPENSES TAX REBATE September 2011

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The *Medical Expenses Tax Rebate* is a tax offset that helps individuals and families which may have incurred above average medical expenses in a particular tax year. For the year ending 30 June 2011 a 20% tax rebate can be claimed for any out of pocket medical expenses over \$2,000, (\$2,060 for the year ending 30 June 2012). The rebate can be particularly useful for families as their combined medical bills can add up quite quickly, or, for individuals who have unfortunately had a year of unexpected accident or illness. In order to claim the rebate it is important to keep all medical expense receipts and dockets.

### **Out of Pocket Medical Expenses:**

Only "Out of Pocket" medical expenses are eligible for the rebate, ie the medical expenses paid net of reimbursements from Medicare and/or a health fund.

### **Eligible Expenses:**

Expenses which are eligible for the rebate include:

#### *Legally Qualified Doctors, Chemists, Nurses:*

Payments to legally qualified medical practitioners, nurses, and chemist in respect of an illness or an operation qualify for the rebate. Examples of items which the rebate applies to include prescription medication bought from a chemist and IVF procedures to overcome infertility. Payments for solely cosmetic operations do NOT qualify, nor do purchases for chemist type items bought from retail outlets or health food stores.

#### *Hospitals and Nursing Homes:*

Payments to public or private hospitals in relation to an illness or operation qualify for the rebate. Payments for residential age care and respite care also qualify provided both the care provider and recipient are approved under the Aged Care act 1997. In addition, the recipient must have been assessed as requiring care at levels 1 to 7.

#### *Dentists:*

Payments to a dentist or orthodontist for dental treatment qualify for the rebate. This includes the supply, alteration, or repair of artificial teeth. Braces DO qualify for the rebate, however, solely cosmetic dentals services, eg teeth whitening, are excluded.

#### *Optometrists:*

Payments to an eye specialist for eye tests and the prescription of glasses qualify for the rebate. The cost of the glasses also qualifies, as do contact lenses.

#### *Medical Aids and Surgical Appliances:*

The cost of purchasing and repairing an artificial limb, eye, and hearing aid equipment all qualify for the rebate. The following appliances also qualify provided they have been prescribed by a qualified medical practitioner – crutches, wheelchairs, oxygen equipment, braces, surgical shoes, and payments for the maintenance for an officially training Seeing Eye dog.

#### *Therapeutic Treatment:*

Treatment such as physiotherapy, massage, and chiropractic treatment will qualify for the rebate provided it has been referred from a qualified medical practitioner.

### **Further Information:**

Please contact us if you have any queries in respect to the Medical Expenses Tax rebate. Further information can also be found on the Australian Taxation Office website at [www.ato.gov.au](http://www.ato.gov.au).