

Checklist for Medical Expenses Tax Offset 2011

If you have medical expenses (after claiming from Medicare and your private health fund, if applicable) in excess of \$2,000 for any financial year, a 20% tax offset can be claimed in your tax return for the excess. You can aggregate expenses for *all* family members (that is, your spouse, children under 21 and certain other dependants) and one family member can make the claim.

Eligible expenses include payments to or for:

- doctors
- nurses
- prescriptions
- dentists and dental mechanics
- opticians and optometrists
- hospitals
- some residential aged care providers
- therapeutic treatment, if at the direction of a doctor
- medical or surgical appliances
- maintenance of a trained guide dog
- an attendant of an invalid or blind person.

The following expenses are not eligible for the tax offset:

- health fund premiums
- ambulance subscriptions
- purely cosmetic procedures (this includes medical procedures for which no Medicare rebate is payable and cosmetic dental services).

Make sure you keep all receipts for medical expenses. Annual statement of benefits paid (detailing out of pocket expenses) can also be obtained from most health funds, pharmacies and Medicare upon request.

Like most other tax offsets, the medical expenses tax offset will not give rise to a refund from the Taxation Office; it will only reduce tax payable. TGS Partners Pty Ltd can advise whether a claim will benefit you, based on your tax situation.

Example:

| | | | |
|---|---------|-----------|------|
| Doctors Expenses | \$3,000 | | |
| Chemist Expenses | 500 | | |
| Optical Expenses | 750 | | |
| | ----- | | |
| | \$4,250 | | |
| less: Medicare & health fund reimbursements | 2,000 | | |
| | ----- | | |
| Net medical expenses | 2,250 | | |
| less: tax threshold | 2,000 | | |
| | ----- | | |
| | \$ 250 | Claim 20% | \$50 |
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