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Income tests

Income tests are used to work out your eligibility for a number of tax offsets and benefits, which can reduce the amount of tax you have to pay.

We use a number of items from your tax return when applying income tests. You should ensure that you complete all items that apply to you in the income tests section of your return.

A number of offsets, benefits and obligations are assessed using a family income threshold. If you have a spouse, you should include your spouse's income in the relevant section of your tax return.

Depending on your circumstances, any of the following tests may be used to assess your entitlements:

- [Adjusted taxable income \(ATI\)](#)
- [Rebate income](#)
- [Income for Medicare levy surcharge purposes](#)
- [HELP and SFSS repayment income](#)
- [Super income tests](#)

We use income tests to assess the following items in your tax return:

Tax offsets

- Net medical expenses tax offset for disability aids, attendant care or aged care
- Invalid and invalid carer tax offset
- Seniors and pensioners tax offset
- Medicare levy surcharge (lump sum payment in arrears) tax offset
- Spouse super contributions tax offset

See also:

- [Offsets and rebates \(/individuals/income-and-deductions/offsets-and-rebates\)](#)

Other items:

- Private health insurance rebate
- Medicare levy surcharge threshold calculation
- Government super co-contribution
- A deduction for your personal super contributions
- A deduction for your business losses (non-commercial losses)
- Income tax concessions available to participants in certain employee share schemes
- HELP and SFSS repayments

See also:

- [Employee share schemes - Employees \(/General/Employee-share-schemes/Employees/\)](#)

Adjusted taxable income (ATI)

Your ATI affects your entitlement to any dependant tax offset.

Generally, your adjusted taxable income includes your:

- taxable income (your assessable income minus deductions)
- adjusted fringe benefits amount (total reportable fringe benefits amounts x 0.51)
- tax-free government pensions or benefits (includes disability pensions, carer payments and defence pensions)
- target foreign income (includes any income earned from overseas that is not already included in your taxable income or received in the form of a fringe benefit)
- reportable super contributions (includes both reportable employer super contributions and deductible personal super contributions)
- total net investment loss (includes both net financial investment loss and net rental property loss)
- child support you paid.

See also:

- [Income tests calculator \(/Calculators-and-tools/Income-tests-calculator/\)](#)
- [Reportable fringe benefits - facts for employees \(/General/Fringe-benefits-tax-\(fbt\)/In-detail/Employees/Reportable-fringe-benefits---facts-for-employees/\)](#)
- [Employer guide for reportable employer super contributions \(/individuals/super/in-detail/growing/guide-for-employees-and-self-employed---reportable-superannuation-contributions/?page=4\)](#)
- [Guide for employees and self-employed - reportable superannuation contributions \(/Individuals/Super/In-detail/Growing/Guide-for-employees-and-self-employed---reportable-superannuation-contributions/\)](#)
- [Tax-free government pensions or benefits \(/IT3-Tax-freeGovernmentPensions-redirect\)](#)

Rebate income

We work out what we call 'rebate income' to determine whether you are eligible for the seniors and pensioners tax offset.

Your rebate income includes your:

- taxable income (your assessable income minus deductions)
- adjusted fringe benefits amount (total reportable fringe benefits amounts x 0.51)
- total net investment loss (includes both net financial investment loss and net rental property loss)
- reportable super contributions (includes both reportable employer super contributions and deductible personal super contributions).

See also:

- [Income tests calculator \(/Calculators-and-tools/Income-tests-calculator/\)](#)
- [Reportable fringe benefits - facts for employees \(/General/Fringe-benefits-tax-\(fbt\)/In-detail/Employees/Reportable-fringe-benefits---facts-for-employees/\)](#)
- [Employer guide for reportable employer super contributions \(/individuals/super/in-detail/growing/guide-for-employees-and-self-employed---reportable-superannuation-contributions/?page=4\)](#)
- [Guide for employees and self-employed - reportable superannuation contributions \(/Individuals/Super/In-detail/Growing/Guide-for-employees-and-self-employed---reportable-superannuation-contributions/\)](#)

Income for Medicare levy surcharge purposes

We use your income for surcharge purposes to work out if you have exceeded the Medicare levy surcharge threshold that applies to you. We do this to determine:

- if you are entitled to the private health insurance rebate, and
- if you do not hold an appropriate level of private health insurance, your liability to pay the Medicare levy surcharge.

Private health insurance rebate

To assess your private health insurance (PHI) rebate entitlement, generally your income for surcharge purposes is your:

- taxable income (your assessable income minus deductions)
- reportable fringe benefits amount, as reported on your payment summary
- total net investment loss (includes both net financial investment loss and net rental property loss)
- reportable super contributions (includes both reportable employer super contributions and deductible personal super contributions)
- the amount on which family trust distribution tax has been paid.

Medicare levy surcharge

You may have to pay Medicare levy surcharge (MLS) if you or your dependants (including your spouse, even if they had their own income) did not have an appropriate level of private patient hospital cover for the whole financial year and your income was above a certain amount.

See also:

- [Income tests calculator \(/Calculators-and-tools/Income-tests-calculator/\)](#)
- [Private health insurance rebate and Medicare levy surcharge \(/individuals/medicare-levy/\)](#)
- [Employer guide for reportable employer super contributions \(/individuals/super/in-detail/growing/guide-for-employees-and-self-employed---reportable-superannuation-contributions/?page=4\)](#)
- [Guide for employees and self-employed - reportable superannuation contributions \(/Individuals/Super/In-detail/Growing/Guide-for-employees-and-self-employed---reportable-superannuation-contributions/\)](#)

HELP, SSL, TSL and SFSS repayment income

Your repayment income includes your:

- taxable income (your assessable income minus deductions)
- reportable fringe benefits amount, as reported on your payment summary
- total net investment loss (includes both net financial investment loss and net rental property loss)
- reportable super contributions (includes both reportable employer super contributions and deductible personal super contributions)
- any exempt foreign employment income amounts included in a tax return.

See also:

- [Study and training support loans \(/individuals/study-and-training-support-loans/\)](#)
- [Reportable fringe benefits - facts for employees \(/General/Fringe-benefits-tax-\(fbt\)/In-detail/Employees/Reportable-fringe-benefits---facts-for-employees/\)](#)
- [Employer guide for reportable employer super contributions \(/individuals/super/in-detail/growing/guide-for-employees-and-self-employed---reportable-superannuation-contributions/?page=4\)](#)
- [Guide for employees and self-employed - reportable superannuation contributions \(/Individuals/Super/In-detail/Growing/Guide-for-employees-and-self-employed---reportable-superannuation-contributions/\)](#)

Super income tests

Reportable employer super contributions are included in the income tests for the following:

- spouse super contributions tax offset
- government super co-contribution
- deduction for personal super contributions.

See also:

- [Super related tax offsets \(/individuals/income-and-deductions/offsets-and-rebates/super-related-tax-offsets\)](#)
- [Government super contributions \(/Individuals/Super/Growing-your-super/Adding-to-my-super/Government-super-contributions/\)](#)
- [Employer guide for reportable employer super contributions \(/individuals/super/in-detail/growing/guide-for-employees-and-self-employed---reportable-superannuation-contributions/?page=4\)](#)
- [Guide for employees and self-employed - reportable superannuation contributions \(/Individuals/Super/In-detail/Growing/Guide-for-employees-and-self-employed---reportable-superannuation-contributions/\)](#)

For information on Centrelink and Child Support Agency (CSA) income tests, visit humanservices.gov.au (<http://humanservices.gov.au/>)

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