In audit for APC found discrepancy in medicare methodology that identified error in HC medicare calculation.

The 'eligiblity' test for determining whether SAPTO thresholds should be used is not just based on age but also an income condition.

In the SAPTO calc itself if you don't meet the income condition you get $0 SAPTO so that flows through ok but it is possible for one person to get $0 SAPTO and other $X SAPTO and both be eligble for SAPTO medicare thresholds (couple).

So we need to update our input for SAPTO eligibility when calling the medicare calc in tax module to only be 'true' if is both eligible on age and either member got at least $1 SAPTO.

See MedicareSAPTO Final spreadsheet for testing.

Suggested change required: update call medicarelevy(taxPerson1, taxPerson2, bCentrelinkEligible1, bCentrelinkeligble2) so that test additional income requirement as well as age

e.g. dim SAPTOEligble as boolean

SAPTOEligible = or(getSAPTO(taxPerson1)>0,getSAPTO(taxPerson2))

then

call medicarelevy(taxPerson1, taxPerson2, and(bCentrelinkEligible1,SAPTOEligible), and(bCentrelinkeligble2,SAPTOEligible))

=> review suggestion against MedicareSapto Final spreadsheet

Goal will be to release with next IT release where convert C# to VB.net.

ATO references of eligibility   
- <https://www.ato.gov.au/Individuals/Tax-Return/2016/Tax-return/Medicare-levy-questions-M1-M2/M1-Medicare-levy-reduction-or-exemption-2016/>   
- <https://www.ato.gov.au/Individuals/Tax-Return/2016/Tax-return/Tax-offset-questions-T1-T2/T1-Seniors-and-pensioners-(includes-self-funded-retirees)-2016/>

Checked our methodology guide and we don't state 'how' we assume eligibliity for SAPTO or medicare. We assume SAPTO eligiblity based on age (although person must also meet residency or widow conditions which we just assume they do) - should we be noting this in methodology guide?

Suggest first step of creating a few test cases where ppl will pay tax but only SAPTO eligible on age and not actually get any $ of SAPTO. These are the scenarios that should change in this update as will go from using SAPTO thresholds for medicare to NOT using Sapto thresholds for medicare. Tax payable over lifetime (one of our outputs in excel) should increase.

[~jjackson] when doing this can you also please update the stochastic output - lifetime spending desired and actual - to be the other way around! I noticed when doing a change for our new age pension report feature (this is on a separate branch you might see show up when you pull, not develop branch) that although it is all working is putting 'actual' spending in the array called 'desired' spending and vice versa. Change needed in two places in healthcheck calculation module. Just search thestochasticoutputs.lifetimedesiredspending and thestochasticoutputs.lifetimeactualspending to see the two places... just need to change actual to desired and desired to actual where each referred to :p and in proportion formula. Let me know if you have any qns.