



457 VISA ALERT

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HEALTH COSTS AND PRE-14 SEPTEMBER 2009 SPONSORED 457 VISA HOLDERS

:: TIP

Sponsors offering employment to a pre-14 September 2009 457 visa holder should manage the risks associated with incurring public health related costs by considering one of the following:

- require the prospective employee to personally take out private insurance cover for themselves and each accompanying family
- take out health insurance on behalf of the prospective employee and family, deducting premiums from salary with the agreement of the sponsored employee
- take out health insurance on behalf of the prospective employee and family, and bear the cost as a business expense (note - this option has FBT implications)
- encourage the prospective employee to apply for a new 457 visa.

Requirements regarding health costs for 457 visa holders

Recent changes to the 457 visa program have seen mandatory Condition 8501 placed on all 457 visas granted on or after 14 September 2009 placing the onus on 457 visa holders to maintain adequate arrangements for health insurance for the duration of their stay in Australia.

Pre-14 September 2009 visa holders

However, for holders of 457 visas granted prior to 14 September, 2009, regulation 2.94B of the *Migration Regulations 1994* continues the former undertaking of a sponsor to meet a sponsored persons' public hospital costs *if such costs are not covered by insurance or a reciprocal health care agreement* ("RHCA").

Reciprocal Health Care Arrangements

Australia currently has RHCAs in place with 10 countries: UK, Ireland, Sweden, Norway, Finland, Denmark, Belgium, Italy, Malta and New Zealand (Denmark and Slovenia may be added to this list in 2010).

RHCAs only cover treatment in a public hospital that is *immediately and medically necessary*. For nationals of Italy and Malta, cover is limited to 6 months only.

Insurance

Although not mandatory, it is consistent with both DIAC policy and good business practice to insure against risks associated with illness or injury suffered by a person sponsored on a 457 visa granted prior to 14 September 2009 - particularly a person from a country which does not have a RHCA with Australia.

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