



Income tests

How to complete the Income tests section of your return using myTax.

Last updated 13 March 2024

We use income tests to work out whether you:

- can claim certain tax offsets and the amount you are entitled to receive
- can receive some government benefits or concessions
- are entitled to a rebate for your private health insurance
- must pay Medicare levy surcharge or have a HELP, Financial Supplement or Trade support loan repayment liability
- must pay tax.

We may also pass this information to other government agencies, such as Services Australia, to ensure you are receiving your correct entitlement to government benefits. It will also be used to determine any child support payments.

Some income tests are calculated by *myTax* using the information you provide in your tax return. They are **Net financial investment loss** and **Net rental property loss**.

You must enter the required information for the remaining income tests in this section.

Total reportable fringe benefit amounts and **Reportable employer superannuation contributions** are two income tests that are not shown in this section. They are shown elsewhere in *myTax*. For more information, see [Other income tests not shown in this section](#).

Tax-free government pensions

Certain pensions or benefits are taken into account when working out your adjusted taxable income, even though income tax is not paid on them.

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We have pre-filled your tax return with information provided to us. Check for any tax-free government pensions you received that are not pre-filled and ensure you add them.

See **Tax-free government pensions or benefits that are taken into account in the income tests** for a list of the relevant tax-free government pensions and benefits.

Income tax is not paid on certain tax-free government pensions or benefits, however, those pensions or benefits are taken into account when working out your adjusted taxable income. Your adjusted taxable income is an income test we use to work out your eligibility for certain tax offsets and the amount of those offsets.

Do not include any amount here that you have already shown in the **Payment summaries** section:

- Australian Government payment such as Newstart, Youth Allowance and Austudy
- Australian Government payment such as pensions and carer payments
- Super income stream
- Australian annuity payments.

Completing this section

Enter the total amount of tax-free pensions and benefits you received during 2015–16.

Note: Information shown in *myTax* may be updated based on pre-fill data. Before you lodge, you should review this information again to

ensure it is correct.

QC 48438

Target foreign income

What is target foreign income, and instructions for completing the target foreign income section.

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Target foreign income is:

- any income earned, derived or received from sources outside Australia
- a periodical payment by way of gifts or allowances from a source outside Australia
- a periodical benefit by way of gifts or allowances from a source outside Australia

provided that the amount has neither been included in your taxable income, nor received in the form of a fringe benefit.

For more information about target foreign income, see [Target foreign income](#).

Completing this section

Enter the total amount of target foreign income you received during 2015–16.

If you have already entered exempt foreign employment income in the **Foreign income, assets and entities** section, that amount may be shown here. Otherwise, you will need to include it in the total target foreign income.

Note: Information shown in *myTax* may be updated based on you entering data in other sections. Before you lodge, you should review this information again to ensure it is correct.

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Net financial investment loss

myTax will calculate the amount of your net financial investment loss for you using the information you provide in your tax return.

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For more information on how this is calculated, see [Net financial investment loss](#).

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Net rental property loss

myTax will calculate the amount of your net rental property loss for you using the information you provide in your tax return.

Last updated 13 March 2024

For more information on how this is calculated, see [Net rental property loss](#).

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Child support you paid

Child support amounts you paid to another person other than your partner for the maintenance of your child.

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Child support you paid is about amounts you paid or benefits you provided to another person other than your partner for the maintenance of your natural or adopted child.

Do not include amounts you paid or provided to a person to acquire goods or services.

Completing this section

Enter the total amount you paid and benefits you provided for the maintenance of your child during 2015–16.

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Dependent children

What is a dependent child, and instructions for completing the dependent child section.

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For income tests section, a dependent child is your child who is:

- under 21 years old, or
- 21 to 24 years old and a full-time student at a school, college or university

regardless of their income.

The child must be an **Australian resident** and you must have contributed to their maintenance.

You **maintained a dependant** if any of the following applied:

- you and your dependant lived in the same house
- you gave your dependant food, clothing and lodging
- you helped them to pay for their living, medical and educational costs.

We use this information to determine whether you are entitled to an increase in the income test threshold for the:

- private health insurance rebate
- net medical expenses tax offset, and
- Medicare levy surcharge.

Completing this section

We have pre-filled your tax return with the number of dependent children from your to 2014–15 tax return.

Check the **Number of dependent children** and update, if necessary.

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Other income tests not shown in this section

The following two income tests are shown elsewhere in myTax.

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Total reportable fringe benefit amounts

This income test is about reportable fringe benefits amounts that you received. If a benefit amount is less than \$3,921, do not show it.

To update or add a reportable fringe benefits amount in *myTax*, go to the relevant payment summary type in the **Payment summaries** section:

- Salary, wages, allowances, tips, bonuses etc
- Foreign employment income.

You will find reportable fringe benefits amounts on your:

- *PAYG payment summary – individual non-business, or*
- *PAYG payment summary – foreign employment.*

Reportable employer superannuation contributions

Reportable employer superannuation contributions are additional to the compulsory contributions your employer must make. An example of a reportable employer superannuation contribution is a salary sacrificed arrangement.

If your payment summary shows a reportable employer superannuation contributions amount and you did not get your employer to make superannuation contributions in addition to their compulsory superannuation contributions, you should contact your employer before lodging your tax return to check that the payment summary figure is correct.

To update or add a reportable employer superannuation contributions amount in *myTax*, go to the relevant section:

- in the **Payment summaries** section:
 - Salary, wages, allowances, tips, bonuses etc
 - Foreign employment income
 - Attributed personal services income
- in the **Business/sole trader, partnership and trust income (including loss details)** section:
 - Business payment summaries.

You will find reportable employer superannuation contributions on your:

- *PAYG payment summary – individual non-business*
- *PAYG payment summary – foreign employment, or*
- *PAYG payment summary – business and personal services income.*

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