



Super co-contributions workbook

This workbook will help you complete item A3 on page 7 on your 2010 tax return.

Last updated 1 July 2010

You can download this publication in Portable Document Format (PDF) - download [Super co-contributions workbook 2010](#) (NAT 73495, PDF, 186KB).

When to use this workbook

Use this workbook only if question **A3 Super co-contribution** in *TaxPack 2010* told you to.

This workbook will help you complete item **A3** on page 7 of your 2010 tax return. Do **not** lodge this workbook with your return.

 Question A3 Super co-contribution question from TaxPack.

 Danger

If you need to complete this workbook, do not use any of the worksheets in *TaxPack* to complete **A3**. You must only use this workbook.

If you are only using this workbook for more information about the meaning of **employment income** when completing item A3, refer to the [Glossary](#).

When we refer to your 2010 tax return, we refer to all of the 2010 tax return, whether or not you have used all sections, namely:

- *Tax return for individuals 2010*
- *Tax return for individuals (supplementary section) 2010*, and
- *Business and professional items schedule for individuals 2010*.

We use item **A3** to ensure you receive your correct entitlement to a super co-contribution. When we work out your super co-contribution, we use your 2010 tax return to work out your eligible income and assessable income.

In some cases we need additional information to determine these amounts and calculate your entitlement. This is why you need to complete **A3**. For example, we will treat your partnership distributions shown at item **13** as ineligible income unless you tell us otherwise by completing item **A3**.

Completing the worksheets

Worksheet 1: sole and joint income

Worksheet 2: Sole and joint deductions

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Completing the worksheets

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Worksheets 1, 2, 3, 4 and 5 will help you complete worksheet 6.

Worksheet 6 is a summary which shows what you need to write at **F**, **G** and **H** item **A3** on your 2010 tax return.

You must complete worksheets 1 and 2

If you are using this workbook to complete item **A3**, you must complete **worksheets 1** and **2**.

Extra joint income groups worksheet

If you have more than one joint income group on **worksheet 1** or **2**, use the Extra joint income groups worksheet.

Who must complete worksheet 3

Do you show partnership income at item **13**, **19** or **20** in your 2010 tax return?

Yes	You must complete <u>worksheet 3</u> and you may have to complete <u>worksheet 4</u> .
No	Do not complete worksheets 3 and 4 .

Who must complete worksheet 4

Do you show any of the following in your 2010 tax return?

- A partnership loss, where the partnership is carrying on a business, which you show at item **13**, **19** or **20**.
- Business deductions from partnership income.

Yes	You must complete <u>worksheet 4</u> .
No	Do not complete worksheet 4 .

Who must complete worksheet 5

Do you show any of the following amounts in your 2010 tax return?

- Income at items **1**, **2**, **3**, **4** (other than death benefits), **12**, **IT1** or **IT2** that is not attributable to employment in 2009-10 (for example, because you ceased work for that employer before 1 July 2009).
- Any 2009-10 employment income or business income on your tax return, which you have not included in **worksheets 1** or **3**, and is not shown at items **1**, **2**, **3**, **4** (other than death benefits), **B** at item **12**, **IT1** or **IT2** of your tax return, or **P1** or **P8** in your *Business and professional items schedule for individuals 2010*

- Any deductions in relation to business income that are not shown at items **P8** in your *Business and professional items schedule for individuals 2010*, and are not shown in **worksheets 2** or **4**.

Yes	You must complete <u>worksheet 5</u> .
No	Do not complete worksheet 5 .

You must complete worksheet 6

If you are using this workbook to complete item **A3**, you must complete worksheet 6.

Special rules when doing worksheets 1-4

The following rules apply when you complete **worksheets 1, 2, 3** and **4**.

Capital gains from a trust

If you received a capital gain from a trust, include in **worksheet 1** as solely earned income that is not from business or employment, that part of the trust distribution that you exclude from **L** or **U** item **13** because it is a capital gain.

If you received a capital gain or loss but it was not from a trust, then do not include it in **worksheet 1**.

Foreign source income

If you deducted any expenses when working out the net foreign source income at item **20** of your 2010 tax return, include the gross income amount in column (b) in **worksheet 1** and include the expenses against that gross foreign source income as an expense against foreign source income in column (b) in **worksheet 2**.

However, if the foreign income relates to a partnership, and other income of that partnership is included at item **13**, then include the portion of foreign income in **worksheet 3**, instead of **worksheet 1**, and any related expenses to **worksheet 4**.

Foreign entities income

If the foreign entities income relates to a partnership, and other income of that partnership is included at item **13**, then include the portion of foreign entities income in **worksheet 3**, instead of **worksheet 1**, and any related expenses to **worksheet 4**.

Forestry managed investment scheme

If you show amounts for forestry managed investment schemes (FMIS) at item **23** or item **D15** of your 2010 tax return you need to establish whether:

- you were an investor in the FMIS
- you were carrying on a business
- your investment was solely or jointly owned.

If we issued a product ruling for the FMIS, it may say whether we consider that you are carrying on a business.

Net farm management deposits and withdrawals

You may show a negative or positive amount for item **17 Net farm management deposits or withdrawals** on your 2010 tax return - depending on whether your deductible deposits exceeded your assessable withdrawals for the financial year.

If you only made a withdrawal from your farm management deposit (FMD) account, show it as a net farm management deposit or withdrawal in column (b) of **worksheet 1**.

If you only made a deposit into your FMD account, show it as a net farm management deposit deduction in column (b) of **worksheet 2**.

If you made both a deposit and withdrawal in this financial year, then you will need to include the total of the withdrawals as income in **worksheet 1** column (b) and deposits as expenses in **worksheet 2** column (b).

Where you allocate the deposits and withdrawals depends on what primary production income it relates to. If the primary production business is carried on by:

- a trust, include it in column (c) Solely earned investment
- you individually, include it in column (d) Solely earned employment/business income

- a partnership, include it in column (d) Solely earned employment/business income.

Other income

If you show an amount at item **24** of your 2010 tax return you need to include it in **worksheet 1**. Some other income may be eligible employment/business income.

Examples of other employment/business income may include:

- income from activities as a special professional (author, inventor, performing artist, production associate or active sportsperson)
- payments made to you under an income protection, sickness or accident insurance policy that are attributable to employment in which you are engaged in 2009-10, or in relation to carrying on a business.

See the explanation of employment income in the **Glossary** for more information.

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Worksheet 1: sole and joint income

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This will help you to complete:

- **F** item **A3** by separating out joint income from solely earned income
- **G** item **A3** by separating employment/business income from non employment/business income.

Worksheet 1: Sole and joint income

Step 1 If you show amounts in your 2010 tax return for items listed, tr column (b).

Step 2 Work out how many joint income groups you have. It may be e group - write the name of the first group at (g). If you have more thar use the [Extra joint income groups worksheet](#).

Step 3 For each amount in column (b), write the amounts in columns

	(g) Group 1 name:			
Gross income amounts	(a)	(b) Amount on your tax return	(c) Solely earned income that is not from employment or business	(d) Solely earned income from employment or business
Interest	shown at L item 10			
Dividends	shown at S, T and U item 11			
Distributions from trusts	shown at L and U item 13			
Net farm management withdrawals	shown at E item 17			
Foreign entities	shown at K, B and C item 19			
Foreign source income	gross income amount shown at E or F item 20			
Capital gains	from trusts only, shown			

	at H item 18			
Gross rent	shown at P item 21			
Bonuses from life insurance companies and friendly societies	shown at W item 22			
Forestry managed investment scheme income	shown at A item 23			
Other income	shown at Y and V item 24			
Total gross income	Total each column			
	Step 4 Transfer totals		to (b) on <u>worksheet 6.</u>	to (b) ar on <u>workshe</u>

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Worksheet 2: Sole and joint deductions

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This will help you to complete **F**, **G** and **H** item **A3** by separating out deductions from joint income and identifying business deductions.

Worksheet 2: Sole and joint deductions

Step 1 If you show amounts in your 2010 tax return for items listed, tick the box in column (b).

Step 2 Write the name of your first joint income group at (g). If you have more than one joint income group, use the [Extra joint income groups worksheet](#).

Step 3 For each amount in column (b), write the amounts in columns (c) and (d).

(g) Group 1 name:				
Deductions	(a)	(b) Amount on your tax return	(c) Deductions relating to solely earned non- business income	(d) Dedu relat sc ear bus inc
Low value pool deduction	shown at K item D6			
Interest deductions (eg bank fees)	shown at I item D7			
Dividend deductions	shown at H item D8			
Cost of managing tax affairs	shown at M item D10			
Other deductions relating to distribution	amount shown at X and Y item 13 that relates to trust distributions only			

Net farm management deposit deductions	you included when calculating the amount shown in E item 17			
Foreign source income deductions	you included when calculating the amount shown in T , L , D , R , and M item 20			
Rent	shown at Q , F and U item 21			
Australian film industry incentives	shown at G , item D11			
Forestry managed investment scheme deduction	shown at F item D15			
Other deductions	shown at J item D16			
Personal services income deductions	shown at K and L item P1			
Total deductions	Total each column except (c)		Do not total column (c)	(g)
Total gross income for each joint	Transfer amounts from			

income group.	Worksheet 1			
Joint income	For each joint income group take: <ul style="list-style-type: none"> • (h) from (j), and • (i) from (k) 			Trans amount (g) to <u>Work:</u>
Joint income group net income	Add (l) and (m) together			

Step 4 If the amount at (n) on **worksheet 2** is positive go to table 1, if (n) is negative go to table 2.

Table 1: amount at (n) on worksheet 2 is positive

Result	Action 1	Action 2
Amount at (m) is negative or 0	Transfer amount at (n) to (e) on <u>worksheet 6</u> and write 0 at (g) on <u>worksheet 6</u> next to the correct <u>joint income group</u> .	Write 0 at (f) on <u>worksheet 6</u> , next to the correct <u>joint income group</u> .
Amounts at (l) and (m) are positive	Transfer amount at (n) to (e) on <u>worksheet 6</u> and write 0 at (g) on <u>worksheet 6</u> next to the correct <u>joint income group</u> .	Transfer amount at (m) to (f) on <u>worksheet 6</u> , next to the correct <u>joint income group</u> .
Amount at (l) is negative and (m) is positive	Transfer amount at (n) to both (e) and (f) on <u>worksheet 6</u> next to the correct <u>joint income group</u> .	Write 0 at (g) on <u>worksheet 6</u> next to the correct <u>joint income group</u> .

Table 2: amount at (n) on worksheet 2 is negative

Result	Action 1	Action 2
Amount at (m) is negative and (l) is 0	Write 0 at the joint income group for both (e) and (f) on <u>worksheet 6</u> , next to the correct <u>joint income group</u> .	Transfer as a positive figure the amount at (n) to (g) on <u>worksheet 6</u> , next to the correct <u>joint income group</u> .
Amount at (l) is positive and (m) is negative	Write 0 at both (e) and (f) on <u>worksheet 6</u> , next to the correct <u>joint income group</u> .	Transfer as a positive figure the amount at (n) to (g) on <u>worksheet 6</u> , next to the correct <u>joint income group</u> .
Amount at (l) is negative and (m) is positive or 0	Write 0 at both (e) and (f) on <u>worksheet 6</u> , next to the correct <u>joint income group</u> .	Write 0 at (g) on <u>worksheet 6</u> , next to the correct <u>joint income group</u> .
Amount at (l) is negative and (m) is negative	Write 0 at both (e) and (f) on <u>worksheet 6</u> , next to the correct <u>joint income group</u> .	Transfer as a positive figure the amount at (m) to (g) on <u>worksheet 6</u> , next to the correct <u>joint income group</u> .

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Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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