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## Withholding declaration – calculating your tax offset

Check if you're eligible to claim a tax offset in your withholding declaration, and work out the offset amount.

**Last updated** 1 August 2022

### Should you claim a tax offset?

Check if you are entitled to a tax offset and whether you need to calculate or claim one.

### Calculate an invalid and invalid carer tax offset

Check your eligibility for an invalid or invalid carer tax offset and claim it in your withholding declaration.

### Calculate a zone or overseas forces tax offset

Check your eligibility for a zone tax offset or overseas forces tax offset, and claim it in your withholding declaration.

### Calculate a seniors and pensioners tax offset

Check your eligibility for a seniors and pensioners tax offset, and claim it in your withholding declaration.

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## Should you claim a tax offset?

Check if you are entitled to a tax offset and whether you need to calculate or claim one.

Last updated 1 August 2022

### On this page

[When you don't need to calculate tax offsets](#)

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## When you don't need to calculate tax offsets

If you are not entitled to claim any of these tax offsets, or you want to claim your entitlement as a lump sum at the end of the financial year, you do not need to calculate your tax offset.

## Foreign residents

If you are not a resident of Australia for tax purposes, you are not entitled to claim tax offsets to reduce withholding.

## Rates may change

The income thresholds (based on income tests) and tax offset rates stated are for the financial year ending 30 June 2023. These amounts are subject to change each year.

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# Calculate an invalid and invalid carer tax offset

Check your eligibility for an invalid or invalid carer tax offset and claim it in your withholding declaration.

Last updated 1 August 2022

## On this page

[Eligibility for tax offset](#)

[Working out your Invalid or invalid carer tax offset](#)

## Eligibility for tax offset

You may be entitled to this tax offset if you maintain:

- your spouse, who is an invalid or who cares for an invalid
- your or your spouse's parent, who lives in Australia and is an invalid or cares for an invalid, **or**
- your or your spouse's invalid child, brother or sister who is 16 years old or older.

A carer must have care for your or your spouse's invalid child, brother or sister who is 16 years old or older, and be:

- your dependent spouse, **or**
- your or your spouse's dependent parent who lives in Australia.

The carer must:

- receive a carer payment or carer allowance under the *Social Security Act 1991* for the care they provide for that person, or
- be wholly engaged in providing care to a person receiving

- a disability support pension under the *Social Security Act 1991*
- a special needs disability support pension under the *Social Security Act 1991*, **or**
- an invalidity service pension under the *Veterans' Entitlement Act 1986*.

## **If you maintain your spouse who is invalid or who cares for an invalid**

You can't claim this tax offset for maintaining your spouse who is an invalid or a carer of an invalid if:

- your **Adjusted Taxable Income (ATI)** for 2022–23 is more than \$104,432, **or**
- you maintain your spouse for the whole year and their ATI (including any invalidity or carer payment they will receive) for 2022–23 is \$12,054 or more.

## **If you maintain any other invalid or care for an invalid**

You can't claim this tax offset for maintaining any other invalid or carer of an invalid if:

- your ATI for 2022–23 will be more than \$104,432, **or**
- you have a spouse for 2022–23 and the combined ATI of you and your spouse will be more than \$104,432 (including any invalidity or carer payment), **or**
- you maintain the invalid or carer of an invalid for the whole year and their ATI (including any invalidity or carer payment they will receive) for 2022–23 will be \$12,054 or more.

To work out your Invalid and invalid carer tax offset, follow the steps below.

## **Working out your Invalid or invalid carer tax offset**

Follow the steps to work out your Invalid or invalid carer tax offset.

## Step 1

To work out your offset for your spouse who is an invalid or cares for an invalid, use **worksheets**.

### Worksheet 1A

Row	Calculations	Amount
a	Work out the number of days in 2022–23 when your spouse either: <ul style="list-style-type: none"><li>• was an invalid</li><li>• cared for an invalid</li></ul> and neither of you: <ul style="list-style-type: none"><li>• were eligible for FTB Part B, or</li><li>• received parental leave pay.</li></ul> Write this number of days at row <b>a</b> <b>unless</b> the number is 365. If so, write \$2,943 at row <b>d</b> on <b>Worksheet 1C</b> and continue from there.	-
b	Multiply row <b>a</b> by \$8.06.	\$

If you or your spouse were eligible for FTB Part B at a shared-care rate for a period during the year when your spouse was an invalid or cared for an invalid, work through row **s** to row **v** in **worksheet 1B**.

If you had more than one such period, work through row **s** to row **v** for each period.

### Worksheet 1B

Row	Calculations	Amount
s	Number of days that you or your spouse were eligible for FTB Part B at a shared-care rate.	-
t	Multiply row <b>s</b> by \$8.06.	\$

u	Take your FTB shared-care percentage away from 100%.	%
v	Multiply row <b>t</b> by row <b>u</b> .	\$

### Worksheet 1C

Row	Calculations	Amount
c	If you have only one amount at row <b>v</b> on <b>Worksheet 1B</b> , write it at row <b>c</b> .  If you have several amounts at row <b>v</b> , add them up and write the total at row <b>c</b> .	\$
d	Add row <b>b</b> on <b>Worksheet 1A</b> and row <b>c</b> .	\$

If your spouse's ATI (including any invalidity or carer payments) for the claim period was:

- less than \$286
  - your tax offset is the amount at row **d**
  - write that amount at row **f** in **worksheet 1E** and continue from there
- \$286 or more
  - work through row **w** to row **z** in **worksheet 1D**.

### Worksheet 1D

Row	Calculations	Amount
w	Your spouse's ATI.	\$
y	Take \$282 from row <b>w</b> .	\$
z	Divide row <b>y</b> by 4 (round the result down to the nearest dollar).	\$
e	Write the amount at row <b>z</b> at row <b>e</b> .	\$

## Worksheet 1E

Row	Calculations	Amount
f	Take row <b>e</b> on <b>Worksheet 1D</b> away from row <b>d</b> on <b>Worksheet 1C</b> .  If row <b>f</b> is less than \$1, you cannot claim this offset.	\$

If another person contributed to maintaining your spouse, complete rows **aa** and **bb** in **worksheet 1F**. Otherwise the amount you can claim is at row **f**.

## Worksheet 1F

Row	Calculations	Amount
aa	Percentage of your contribution to the maintenance of this invalid or carer.	-
bb	Multiply row <b>f</b> by row <b>aa</b> .	\$

The amount at row **bb** in **worksheet 1F** is the amount you must use at step 4 for this invalid or carer, instead of the amount you have at row **f** in **worksheet 1E** for this invalid or carer.

## Step 2

To work out your offset for an invalid or carer of an invalid, who is not your spouse, for the whole year, use **worksheets**

If the invalid or carer's ATI (including invalidity or carer payments) was less than \$286, write \$2,943 at row **k** in **worksheet 2A**, and continue from there.

If the invalid or carer's ATI (including their invalid or carer payments) was \$286 or more work through **worksheet 2A**.

## Worksheet 2A

Row	Calculations	Amount
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g	If the invalid or carer's ATI (including their invalid or carer payments) was \$286 or more, write the amount at row <b>g</b> .	\$
h	Take \$282 away from row <b>g</b> .	\$
j	Divide row <b>h</b> by 4 (round the result down to the nearest dollar).	\$
k	Take row <b>j</b> from \$2,943.  If row <b>k</b> is less than \$1, you cannot claim this tax offset.	\$

If another person contributed to maintaining your invalid or carer complete rows **aa** and **bb** in **worksheet 2B**. Otherwise, the amount you can claim is at row **k**.

### Worksheet 2B

Row	Calculations	Amount
aa	Percentage of your contribution to the maintenance of this invalid or carer.	-
bb	Multiply row <b>k</b> on <b>Worksheet 2A</b> by row <b>aa</b> .	\$

The amount at row **bb** in **worksheet 2B** is the amount you must use at step 4 for this invalid or carer instead of the amount you have at row **k** in **worksheet 2A** for this invalid or carer

### Step 3

To work out your offset for an invalid or carer of an invalid, who is not your spouse, for part of the year, use **worksheets**

### Worksheet 3A

Row	Calculations	Amount
l	Number of days that you maintained the invalid or carer.	-

m	Multiply row <b>l</b> by \$8.06.	\$
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If the invalid or carer's ATI (including their invalid or carer payments) for the period you maintained them was less than \$286, the amount at row **m** is your tax offset. Write it at row **r** in **worksheet 3B** and continue from there.

If the invalid or carer's ATI (including their invalid or carer payments) was \$286 or more, work through **worksheet 3B**.

### Worksheet 3B

Row	Calculations	Amount
n	If the invalid or carer's ATI (including their invalid or carer payments) was \$286 or more, write their ATI for the period at row <b>n</b> .	\$
p	Take \$282 away from row <b>n</b> .	\$
q	Divide row <b>p</b> by 4 (round the result down to the nearest dollar).	\$
r	Take row <b>q</b> away from row <b>m</b> on <b>Worksheet 3A</b> .  If row <b>r</b> is less than \$1, you cannot claim this tax offset.	\$

If another person contributed to maintaining your invalid or carer, complete rows **aa** and **bb** in **worksheet 3C**. Otherwise, the amount you can claim is at row **r**.

### Worksheet 3C

Row	Calculations	Amount
aa	Percentage of your contribution to the maintenance of this invalid or carer.	-
bb	Multiply row <b>r</b> on <b>Worksheet 3B</b> by row <b>aa</b> .	\$

The amount at row **bb** in **worksheet 3C** is the amount you must use at step 4 for this invalid or carer instead of the amount you have at row **r** in **worksheet 3B** for this invalid or carer.

## Step 4

- Add up the amounts that you have for each invalid and carer.
- The total is your invalid and carer tax offset.

## Step 5

If you are not entitled to a Zone or overseas forces tax offset, write your total offset amount at Question 7 on the Withholding declaration.

If you are entitled to a Zone or overseas forces tax offset, transfer the total for your Invalid and invalid carer tax offset to **A** in **Table 8** at the end of the next section. Then [calculate your zone or overseas forces tax offset](#).

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# Calculate a zone or overseas forces tax offset

Check your eligibility for a zone tax offset or overseas forces tax offset, and claim it in your withholding declaration.

Last updated 1 August 2022

### On this page

[Zone tax offset eligibility](#)

[Overseas forces tax offset eligibility](#)

[Work out your zone or overseas forces tax offset](#)

## Zone tax offset eligibility

You may be able to claim a [Zone tax offset](#) if your usual place of residence is in a remote or isolated area of Australia, not including an offshore oil or gas rig.

### Remote areas

Remote areas in Australia are divided into 2 zones called Zone A and Zone B. There are also special areas within the **Australian zone list**. You will need to work out which zone (A or B) or special area you are in, because different zone allowances apply to each of these areas.

From 1 July 2015, to be eligible for the zone tax offset your normal residence must be in an Australian zone.

### Additional conditions

If your usual place of residence is in a remote area, you also need to meet the following conditions to qualify for a zone tax offset.

You must live in a remote area (not necessarily continuously) for **either**:

- 183 days or more during 2022–23, **or**
- 183 days or more during the period 1 July 2021 – 30 June 2023 (including at least one day in 2022–23) and you did not claim a zone tax offset in your 2021–22 tax return.

If you live in a zone for less than 183 days in 2022–23, you may still be able to claim a tax offset if you meet each of the following

**3** conditions:

- You lived in a zone for a continuous period of less than 5 years after 1 July 2015.
- The total of the days you were there in the first year and in 2022–23 is 183 or more. The period you lived in a zone in 2022–23 must include 1 July 2022 (the first day of the income year).
- You could not claim a zone tax offset in that first year because you were there less than 183 days.

#### Example: remote area

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Gary lived in a remote area from 1 March 2018 to 30 September 2022, a continuous period of less than 5 years. He could not claim a zone tax offset for the first year because he had lived there for only 122 days. However, he could carry forward these unused days to 2022–23.

He now adds the number of days from 1 March 2018 to 30 June 2018 (122) and the number of days from 1 July 2022 to 30 September 2022 (92). Because the total (214) is more than 183 days (over the 2 financial years), Gary can claim the tax offset in his 2022–23 tax return.

If you do not meet the above time conditions, you can't claim the zone tax offset.

A search facility of towns falling in Zones A and B, as well as the special areas in the zones, is available from [Australian zone list](#).

## **Overseas forces tax offset eligibility**

You may be eligible for an **Overseas forces tax offset** if you serve in a specified overseas locality as a member of the Australian Defence Force or a United Nations armed force in 2022–23, and income relating to that service is not specifically exempt from tax. Periods of service for which your income is exempt foreign employment income are excluded in working out your eligibility for the tax offset. Your employer can advise you whether you serve in a locality that qualifies for the overseas forces tax offset.

To claim the full tax offset, you must serve in the overseas locality for 183 days or more in 2022–23. Unlike the zone tax offset, you can't carry forward any unused days from previous years to make up 183. However, if your overseas service is less than 183 days, you may be able to claim part of the tax offset.

You may still be entitled to claim the full overseas forces tax offset if you serve in an overseas locality for less than 183 days and the total number of days served, when added to the number of days spent in one or more zones, is 183 days or more. If you served as a member of the Australian Defence Force, days spent in a zone must be defence force service.

If you qualify for both an overseas forces tax offset and a zone tax offset, you can only claim **one** of them. Claim the higher value offset.

## Work out your zone or overseas forces tax offset

Find out about

- [Fixed and base amounts](#)
- [Work out your tax offset if your circumstances are simple](#)
- [Work out your tax offset if your circumstances are complex](#)

### Fixed and base amounts

The zone or overseas forces tax offset is made up of the following:

- a fixed amount
- a percentage of your base amount.

The fixed amount is a prescribed amount available to all people in the zone or overseas area eligible for the tax offset.

You may also be able to include a base amount if you either maintain:

- a child under 21 or full-time student under 25
- an invalid or invalid carer (must be entitled to claim the invalid and invalid carer offset).

Your fixed and base amounts are determined by your circumstances.

### Work out your tax offset if your circumstances are simple

Use the steps to work out your overseas forces tax offset.

#### Step 1

Your tax offset is the amount in **Table 1** below if:

- you will live or work in only one zone or serve in only one specified overseas locality for at least 183 days **and**
- you are not able to include a base amount as you

- are not entitled to claim the invalid and invalid carer tax offset **and**
- either do not have a dependent child or student at any time in 2022–23, or if you did have a dependent child or student, their adjusted taxable income (ATI) was equal to or greater than \$282 plus \$28.92 for each week you maintained them.

**Table 1: Tax offset amounts**

<b>Offset</b>	<b>Amount</b>
Zone A	\$338
Zone B	\$57
Special Area	\$1,173
Overseas forces	\$338

Child includes:

- your adopted child, stepchild or ex-nuptial child
- your child born or adopted in 2022–23
- a child of your spouse
- someone who is your child within the meaning of the Family Law Act 1975 (for example, a child who is considered to be a child of a person under a state or territory court order giving effect to a surrogacy agreement).

A student must be full-time at a school, college, or university.

If you can't use **Table 1** you will need to work through [How to work out your offset if your circumstances are complex](#).

If you receive a remote area allowance from Centrelink or the Department of Veterans' Affairs you must reduce the amount of your zone tax offset by the amount you received for this allowance.

## **Step 2**

If you are not entitled to an Invalid and invalid carer tax offset, write your tax offset amount less any remote area allowance at Question 7 on the **Withholding declaration**.

If you are entitled to an [Invalid and invalid carer offset](#), transfer the amount of your Zone and overseas forces tax offset to **B** in [Worksheet 8](#).

## Work out your tax offset if your circumstances are complex

You can either use our **Zone or overseas forces tax offset calculator** or read below.

The following information will help you work out your base amount, if any.

### Dependent child or student base amount for a full-year claim

Your base amount will include the maximum amount shown in **Table 2** below for each student under 25 years old on 30 June 2023 in full-time education at a school, college or university, and for each child under 21 years on 30 June 2023 who, for the whole of 2022–23:

- is treated as an Australian resident
- is maintained by only you
- has an ATI of less than \$286.

To calculate the ATI see **Adjusted taxable income (ATI)** for you and your dependants or use the **Income tests calculator**.

If you did not have any dependent children or students, go to [Invalid and invalid carer base amount](#).

**Table 2**

<b>Dependant</b>	<b>Base amount</b>
Each student under 25 years old	\$376
For the oldest non-student child under 21 years old	\$376

Other non-student children under 21 years old	\$282 for each child
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If all of these requirements were met, add up the base amount for each child or student and write the total at **a** in [Worksheet 4](#).

If 2 or more people will contribute to the maintenance of a dependent child or student, each person can only claim a proportion of the base amount.

If the requirements were met for only part of the year, or your child's or student's ATI for the period you are claiming this base amount in respect of them was \$286 or more, you may be able to claim for a part of the base amount. Read on.

### Dependent child or student base amount for a part-year claim

You can claim only part of the base amount for dependent children or students if:

- the child or student is treated as an Australian resident for only part of 2022–23
- the student is under 25 years old and in full-time education for only part of 2022–23
- the child or student will be maintained by you for only part of 2022–23
- the child will be 21 years old at 30 June 2023 and not in full-time education, or
- the student will be 25 years old at 30 June 2023.

Use **Worksheet 1** to work out the reduced base amount for each eligible dependent child or student as described in **Table 2**.

### Worksheet 1

Row	Calculation	Amount
<b>a</b>	Maximum base amount for the child or student from <a href="#">Table 2</a>	\$

<b>b</b>	Number of days you maintained your child or student and your child or student was an eligible dependant	-
<b>c</b>	Number of days in 2022–23	365
<b>d</b>	Divide row <b>b</b> by row <b>c</b>	-
<b>e</b>	Multiply row <b>d</b> by row <b>a</b>	\$

If the ATI of your child or student is less than \$286 for the period you are claiming this base amount in respect of them, transfer amount **e** above to **a** [Worksheet 4](#).

If you have more than one eligible child or student and the ATI of each one is less than \$286 for the period you are claiming this base amount in respect of them, work out the amount for each child and student, add up all the amounts and write the total at **a** [Worksheet 4](#).

### **If child or student's ATI is \$286 or more for the period you maintain them**

You cannot claim any base amount for your child or student if that child or student has an ATI equal to or greater than:

- the total of \$282 plus \$28.92 for each week you will maintain them for a student under 25 years old or for the oldest child under 21 years old who is not a student, or
- the total of \$282 plus \$21.70 for each week you maintain them for any other child under 21 years old who is not a student.

If your child's or student's ATI for the period you are claiming this base amount in respect of them was \$286 or more but less than the limits shown above, use **Worksheet 2** to work out the base amount.

### **Worksheet 2**

<b>Row</b>	<b>Calculation</b>	<b>Amount</b>
<b>a</b>	Base amount for the child or student from <a href="#">Table 2</a> or row <b>e</b> <a href="#">Worksheet 1</a> for a part-	\$

	year claim.	
<b>b</b>	Your child's or student's ATI for the period you maintained them.	\$
<b>c</b>	Income above which the base amount begins to reduce.	\$282
<b>d</b>	Take row <b>c</b> away from row <b>b</b> .	\$
<b>e</b>	Divide row <b>d</b> by 4 because your base amount is reduced by \$1 for every \$4 of ATI over \$282. Do not show cents.	\$
<b>f</b>	Take row <b>e</b> away from row <b>a</b> . Show zero (0) if the amount is negative. Do not show cents.	\$

Transfer the amount at **f** above to **a** [Worksheet 4](#). If you have more than one eligible child or student, work out the amount for each child or student, add up all the amounts and write the total at **a** [Worksheet 4](#).

### Sole parent base amount

If you have sole care of a dependent child or student **and** you have written an amount of at least \$1 at **a** [Worksheet 4](#) (base amount for dependent children or students), you may also be eligible for a sole parent base amount.

You can only claim this base amount if you were a sole parent at any time during the income year and:

- your usual place of residence is in a remote area of Australia, or
- serve overseas as a member of the Australian Defence Force.

Sole care means that you alone had full responsibility on a day-to-day basis for the upbringing, welfare and maintenance of a child or student. We do not consider you to have had sole care if you were living with a spouse (married or de facto) during the year unless special circumstances exist.

You will need to use **Worksheet 3** to calculate a part-year sole parent base amount claim.

## Special circumstances if you had a spouse

If you have a spouse (married or de facto) at any time during 2022–23, you are entitled to a sole parent base amount only in special circumstances.

Generally, for special circumstances to exist, you must have been financially responsible for and have had sole care of the dependent child or student, without the support a spouse normally provides.

Examples of situations where special circumstances may arise:

- You were married or in a de facto relationship at any time during 2022–23, but during the year you separated from or were deserted by your spouse, and for the period that you will claim the sole parent base amount you were not in a de facto relationship.
- Your spouse is in prison for a sentence of at least 12 months.
- Your spouse is medically certified as being permanently mentally incapable of taking part in caring for your child or student.

If you are unsure whether special circumstances apply, **contact us**.

## Shared or joint custody after a relationship breakdown

There are times, after a relationship breakdown, such as a divorce or separation, where both parents share the custody of a child or student. If you can show that you had sole care of a dependent child or student for part of the year, you may be able to claim the base amount for that part of the year. This means more than just having access visits with the child or student.

We consider you to have sole care of the child or student for the part of the year up to the day the child turned 21 years old, or the student turned 25 years old if the dependant:

- is not receiving full-time education and will turn 21 during 2022–23, or
- is a full-time student and will turn 25 during 2022–23.

You are only entitled to claim the base amount for that part of the year before the birthday.

If you have sole care of a child or student for the whole of 2022–23, write **\$1,607** at **b** in [Worksheet 4](#).

### Worksheet 3 – Sole parent base amount, part-year claim

Row	Calculation	Amount
<b>a</b>	Number of days you had sole care of a child or student.	-
<b>b</b>	Multiply row <b>a</b> by \$4.40.	\$

Transfer the amount at **b** above to **b** [Worksheet 4](#).

### Add any invalid and invalid carer base amount

If you determined in the previous section that you are entitled to an Invalid and invalid carer tax offset, you are also entitled to this base amount.

Write the amount you calculated at **c** **Worksheet 4**.

### Work out your total base amount

Use **Worksheet 4** to work out your total base amount.

### Worksheet 4 – Total base amount

Row	Calculation	Amount
<b>a</b>	Dependent children or students, from <a href="#">Table 2</a> .	\$
<b>b</b>	Dependent children or students, from <a href="#">Worksheet 1</a> .	\$
<b>c</b>	Dependent children or students, from <a href="#">Worksheet 2</a> .	\$
<b>d</b>	Sole parent – full year.	\$
<b>e</b>	Sole parent – part year from <a href="#">Worksheet 3</a> .	\$
<b>f</b>	Amount claimed at item <b>T5 Invalid and invalid carer tax offset</b> .	\$

<b>g</b>	Add up all of these amounts.	\$
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The amount at **d** is your total base amount. Read on.

You use the information from **Table 4** when you complete either [Worksheet 5](#) or [Worksheet 6](#).

**Table 4**

Category	Fixed amount	Percentage of base amount
<b>Zone A</b>	\$338	50%
<b>Zone B</b>	\$57	20%
<b>Special area</b>	\$1,173	50%
<b>Overseas forces</b>	\$338	50%

### Final calculation for multiple locations

If you live or work in more than one zone, special area or specified overseas locality, and you will be in one of them for 183 days or more, check **Table 4**. If the fixed amount for that zone is higher than for the other zones where you will be, use that fixed amount and **Worksheet 5** to work out your tax offset. This will give you the greatest benefit.

Otherwise go to [Category 2](#).

#### **Example: Zone A**

Neil will live in Zone A for 190 days and in Zone B for 40 days. Table 4 shows that the fixed amount for Zone A is higher than the Zone B amount. Neil simply uses the Zone A amount because this will give him the greater benefit. He ignores the time he spent in Zone B.

## Category 1

Category 1 applies if you are in only one zone or serve only in specified overseas localities for at least 183 days.

**Step 1** is to complete **Worksheet 5**.

### Worksheet 5

Row	Calculation	Amount
<b>a</b>	Your fixed amount from <b>Worksheet 4</b> .	\$
<b>b</b>	Your base amount from row <b>g</b> on <b>Worksheet 4</b> .	\$
<b>c</b>	Multiply row <b>b</b> by the percentage figure from <b>Worksheet 4</b> .	\$
<b>d</b>	Add rows <b>a</b> and <b>c</b> .  If you are claiming an overseas forces tax offset, the amount you can claim is row <b>d</b> . Go to <a href="#">Worksheet 8</a> .  If you are claiming a zone tax offset, read on.	\$
<b>e</b>	Any remote area allowance you received.	\$
<b>f</b>	Take row <b>e</b> away from row <b>d</b> and write the answer at row <b>f</b> .	\$

The amount at **f**, if it is more than zero (0), is your zone tax offset. Go to Step 2.

**Step 2** is:

- Write your zone or overseas forces tax offset amount at Question 7 on your **Withholding declaration** unless you are entitled to an Invalid or invalid carer tax offset.
- If you are entitled to an Invalid and invalid carer offset transfer the amount of your Zone and overseas forces tax offset to **B** in [Worksheet 8](#).

## Category 2

Category 2 applies if you:

- will live or work in more than one zone, or
- will serve in a specified overseas locality for less than 183 days, or
- will serve in a specified overseas locality and you will be in one or more zones for a total of at least 183 days.

You claim for the number of days in each eligible place divided by 183, to a maximum of 183 days for a year. Start with your zone that has the highest fixed amount in [Table 4](#). This will give you the greatest benefit.

### Example: 2 zones

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Anne spends 100 days in Zone A and 120 days in Zone B. Anne claims  $100 \div 183$  days for Zone A and  $83 \div 183$  days for Zone B.

### Example: overseas locality

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De will serve 100 days in a specified overseas locality. De would claim  $100 \div 183$  days.

### Example: claiming both offsets

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Gert serves 100 days in an overseas locality as a member of the defence forces and serves a further 83 days or more in a zone. Gert would claim the full overseas forces tax offset.

### Example: overseas locality and in a special area

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Van will serve 100 days in an overseas locality and 185 days in a special area. As the special area in [Table 4](#) shows the highest

fixed amount and Van uses up the maximum 183 days for this, they would simply claim the full special area amount and ignore the 100 days in an overseas locality.

**Step 1** is to use [Worksheet 6](#) to work out your claim for each zone, special area or overseas locality you were in (as in the [examples](#) above).

### Worksheet 6

Row	Calculation	Amount
<b>a</b>	Your fixed amount from <a href="#">Table 4</a>	\$
<b>b</b>	Your base amount from row <b>g</b> <a href="#">Worksheet 4</a>	\$
<b>c</b>	Multiply row <b>b</b> by the percentage figure from <a href="#">Table 4</a> .	\$
<b>d</b>	Add row <b>a</b> and row <b>c</b> .	\$
<b>e</b>	Number of days your usual place of residence was in a zone or special area or you served in an overseas locality, to a maximum of 183 days (see the <a href="#">examples</a> ).	-
<b>f</b>	Multiply row <b>d</b> by row <b>e</b> .	\$
<b>g</b>	Divide row <b>f</b> by 183. This is the amount you can claim.	\$

**Step 2** is, once you have worked out the amount you can claim for each place you were in, add up all the amounts and then use [Worksheet 7](#) below to work out your total tax offset.

### Worksheet 7

Row	Calculation	Amount
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<b>a</b>	<p>Total of the amounts you have worked out for each zone from row <b>g</b> <a href="#">Worksheet 6</a>.</p> <p>If you are claiming an overseas forces tax offset, the amount you can claim is row <b>a</b>. Go to <a href="#">Worksheet 8</a>.</p> <p>If you are claiming a zone tax offset, read on.</p>	\$
<b>b</b>	Any remote area allowance you received.	\$
<b>c</b>	Take row <b>b</b> away from row <b>a</b> . This is the amount you can claim.	\$

The amount at **c**, if it is more than zero (0), is the total of your zone tax offset.

If you are not entitled to an Invalid and invalid carer tax offset, transfer your amount from **c** to Question 7 on the **Withholding declaration**. Otherwise, go to Step 3.

**Step 3** is to transfer your amount from **c** in **Worksheet 7** above to **B**.

### Worksheet 8

Item	Calculation element	Amount
<b>A</b>	Invalid and invalid carer tax offset (calculated from the previous section)	\$
<b>B</b>	Zone or overseas forces tax offset	\$
<b>C</b>	Total tax offsets Add <b>A</b> and <b>B</b>	\$

Transfer your amount from **C** in **Worksheet 8** above to Question 7 on the **Withholding declaration**.

# Calculate a seniors and pensioners tax offset

Check your eligibility for a seniors and pensioners tax offset, and claim it in your withholding declaration.

Last updated 1 August 2022

## On this page

[Eligibility for SAPTO](#)

[Work out your SAPTO](#)

## Eligibility for SAPTO

You can claim or vary the seniors and pensioners tax offset (SAPTO) through your [Withholding declaration](#) if you meet both conditions relating to:

- eligibility for Australian Government pensions or allowances
- income.

## If you have a spouse

If you have a spouse:

- you also need to work out whether they were eligible
- you may not get the seniors and pensioners tax offset even if you meet all the eligibility conditions as the amount of the tax offset is based on your individual rebate income, not your combined rebate income.

## Claim the tax offset with only one payer

You are not entitled to claim tax offsets with more than one payer at the same time.

If your income comes from more than one source, do not complete this question for any of your payers.

To be eligible for the SAPTO, you must meet conditions 1 and 2 explained below.

## **Eligibility condition 1**

Condition 1 is eligibility for an Australian Government age pension or similar type of payment

To meet this condition, you must fit into **one** of the following categories.

### **Pension, allowance or benefit during 2022–23**

You are eligible if you were receiving an Australian Government age pension or allowance from Centrelink, or a pension, allowance or benefit from the Department of Veterans' Affairs, at any time during the 2022–23 financial year.

### **Eligible for Centrelink age pension but not receiving it**

You are eligible if you meet the Centrelink age pension age requirement and would be eligible for an Australian Government age pension, but are not receiving one because you have not made a claim or because of the application of the income test or the assets test and you satisfy one of the following:

- You have been an Australian resident for age pension purposes for 10 years or more, of which at least 5 years were continuous.
- You have a qualifying residence exemption because you arrived in Australia as a refugee or under a special humanitarian program.
- You are a woman who was widowed in Australia (at a time when both you and your late partner were Australian residents), you have made a claim for the age pension, and you had 2 years residence immediately before your claim.
- You are a woman and, on 19 March 2020, you were receiving either a
  - wife pension and you were not receiving a carer allowance
  - special needs widow B pension.
- You would qualify under an international social security agreement.

### **Eligible for pension, allowance or benefit from Veterans' Affairs but not receiving it**

You are eligible if you meet the veteran pension age test and would be eligible for a pension, allowance or benefit from Veterans' Affairs but are not receiving one because you have not made a claim or because of the application of the income test or the assets test, and you are either a:

- veteran with eligible war service
- Commonwealth veteran, allied veteran or allied mariner with qualifying service.



You meet the veteran pension age test if **one** of the following applied to you and you were eligible for a pension, allowance or benefit under the *Veterans' Entitlements Act 1986*:

- You have eligible war service – that is, service in World War II or operational service as a member of the Australian Defence Force.
- You are a Commonwealth or allied veteran who served in a conflict in which the Australian Defence Force was engaged during a period of hostilities – that is, World War II, or in Korea, Malaya, Indonesia or Vietnam.
- You are an Australian or allied mariner who served during World War II.
- You are the war widow or widower of a former member of the Australian Defence Force.

'Pension, allowance or benefit' includes:

- disability pension
- service pension
- white or gold Repatriation health cards for treatment entitlements.

If you need help working out your eligibility for:

- a Centrelink pension – contact the [Services Australia](#) 
- a veteran payment – contact the [Department of Veterans' Affairs](#) 

For all other enquiries about the SAPTO, **contact us**.

## **Eligibility condition 2**

Condition 2 relates to your rebate income threshold.

Your rebate income (based on **income tests**) includes your:

- taxable income
- adjusted fringe benefits (reportable fringe benefits multiplied by 0.53)
- total net investment loss (this includes both net financial investment loss and net rental property loss)
- reportable super contributions (this includes both reportable employer super contributions and deductible personal super contributions).

To meet this condition for the 2022–23 financial year, you must satisfy **one** of these rebate income thresholds:

- You do not have a spouse and your rebate income will be less than \$50,119.
- You have a spouse and your combined rebate income will be less than \$83,580.
- You have a spouse, and for some or all of the financial year you have to live apart due to illness or because one of you is in a nursing home, and you and your spouse's combined rebate income will be less than \$95,198.

Your spouse is a person (of any sex) who for the income year:

- you are in a relationship with that is registered under a prescribed state or territory law
- although not legally married to you, lives with you on a genuine domestic basis in a relationship as a couple.

The threshold amounts shown here relate to your eligibility for the SAPTO – they are not tax-free thresholds.

The term 'have to live apart due to illness' applies when you and your spouse are paying higher living expenses because:

- one or both of you has a continuing illness or infirmity
- you cannot live together in your home as a result.

## **Work out your SAPTO**

If you meet conditions 1 and 2 described above, you are eligible for the SAPTO.

Being eligible only means that you may receive the SAPTO. Your own rebate income will be used to work out the amount of your tax offset. The combined rebate income amounts set out in Condition 2 are used for eligibility purposes and not for working out the amount you will receive.

You will receive the maximum SAPTO if your rebate income is equal to or below the rebate income thresholds shown in Column 1 in the table below. A reduced tax offset will apply where your rebate income is above the thresholds shown in Column 1 but less than the cut-out threshold shown in Column 2.

**Table 9: Rebate income thresholds for SAPTO**

<b>Seniors and pensioners</b>	<b>Column 1 Maximum tax offset threshold</b>	<b>Column 2 Cut-out threshold</b>
<b>Single</b>	\$32,279	\$50,119
<b>Each member of a couple</b>	\$28,974	\$41,790
<b>Each member of an illness-separated couple</b>	\$31,279	\$47,599

Answer **no** at Question 8 of the **Withholding declaration** if you are either:

- not eligible for the SAPTO, or
- eligible and want to claim your entitlement to the tax offset as a lump sum in your end-of-year income tax assessment.

Answer **yes** at Question 8 of the **Withholding declaration** if you are eligible and you choose to receive the SAPTO by reducing the amount withheld from payments made to you during the year.

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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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