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If you are new to Australia or English is your second language, this overview will help answer some questions about tax in Australia.

Why we pay tax

As Australians we enjoy access to a good health system, quality education and a variety of community facilities (for example, parks and playgrounds) that are supported through tax collections.

The Australian Taxation Office (ATO) collects these taxes for the Australian Government to provide services, including:

- healthcare
- education
- defence
- roads and railways
- payments for welfare, disaster relief and pensions.



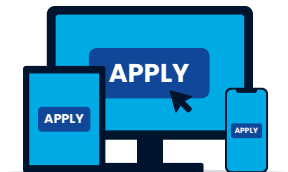


Before you start working

Permission to work in Australia

Before you start working in Australia you must get permission from the Department of Home Affairs if you are a foreign resident. Home Affairs can provide you with useful information including which visas allow you to work in Australia.

For more information about permission to work in Australia, visit homeaffairs.gov.au



Get a tax file number

Your tax file number (TFN) is your personal reference number. It is **free** to get a TFN.

You should get a TFN before starting work, or soon after starting work, otherwise you'll pay more tax. We issue TFNs to individuals, businesses and other organisations for identification and record keeping purposes.

How you apply for your TFN will depend on your circumstances. For more information, visit ato.gov.au/tfn

When completing your application, you will need documents that prove your identity.

It can take up to 28 days to process your TFN application and send your TFN to your address.

When you receive your TFN it is important to keep this safe and not let anyone else use it. For more information about how to keep your personal details safe visit ato.gov.au/identitycrime



Australian business number (ABN) are for business

Not everyone is entitled to or needs an Australian business number (ABN) to work in Australia. Having an ABN means you:

- are running your own business
- have to pay your own tax to us
- may need to pay for your own super
- may not be insured if you're injured.

For more information on applying for an ABN, visit abr.gov.au

When you start working



Complete a tax file number declaration

When you start working, your employer will ask you to fill out a **Tax file number declaration** to tell them your TFN and personal information.

They use this declaration to work out how much tax you need to pay. You have 28 days to complete the declaration and give it to your employer. If you don't, they must take tax from your pay at the highest rate.

For more information about claiming the tax-free threshold visit ato.gov.au/taxfreethreshold.

If you're an Australian resident for tax purposes, you can claim the tax-free threshold when you complete your declaration. This means the first \$18,200 of your yearly income isn't taxed.

You can generally only claim the tax-free threshold from one employer. If you have more than one employer you should claim the tax-free threshold from the employer that pays the highest salary or wage.

For more information about tax file number declarations visit ato.gov.au/TFNdec

Paying tax

When your employer pays your salary or wage they take out tax and send it to us. Your payslip will show how much tax you have paid. At the end of the financial year your income statement or payment summary will show your total income from your employer and how much tax they have taken. Your income statement is available in ATO online services via myGov.

The amount of tax you pay depends on:

- your tax residency
- how much income you earn
- whether you have more than one job
- whether you have a tax file number (TFN) – this is a personal reference number, which you should tell your employer after you start working for them.



Some employers prefer to pay in cash instead of to a bank account. This is okay, provided they still:

- deduct tax from the money they pay you
- give you payslips showing how much tax has been deducted
- pay super contributions on your behalf (if you're entitled to super).

If you begin work before you have a TFN, you have 28 days to get one and give it to your employer. If you don't, your employer must take tax from your pay at the highest rate.

For more information about tax rates visit ato.gov.au/taxrates

Superannuation

Superannuation (super) is money set aside during your working life to provide for your retirement. When starting a new job, it's important for you to understand how super works and to know your rights and entitlements.

Super money is paid in addition to your salary. If you're eligible for super, your employer must pay super contributions into a super fund account. Most people can choose the super fund these contributions are paid into.

It's important that you check your super regularly to ensure the correct super payments are made into your super account. For more information about keeping track of your super visit ato.gov.au/trackyoursuper

For more information about super visit ato.gov.au/tfnsuper



Your tax return

Who needs to prepare a tax return?

As an individual you must lodge a tax return if:

- you had tax taken out of your pay during the tax year (1 July to 30 June)
- your taxable income (including some Australian Government payments) was over certain thresholds for residents
- you are a foreign resident and earned \$1 or more in Australia during the tax year (excluding income that had non-resident withholding tax withheld)
- you are leaving Australia permanently or for more than one tax year.

We use information from your tax return, such as your income and the amount of tax you have paid, to work out if you need to pay extra tax or if you will get money back (a tax refund).

For more information and to work out if you need to lodge a tax return visit ato.gov.au/DoINeedToLodge

Information you need to lodge

To lodge a tax return, you need to know:

- how much income you have earned from working (including any cash payments), from interest on bank accounts or investments
- how much tax has been withheld from your income (how much money is taken out of your pay by your employer and sent to us)
- about any deductions and tax offsets you are claiming.

Deductions are costs you can claim to reduce your tax. Most deductions are work-related expenses. That is money you have spent on something to help you earn your income. You must be able to show that:

- the expenses directly relate to earning income
- the expenses are not private in nature
- you have a record to prove your expenses (such as a receipt).



Your employer needs to provide you with an income statement or payment summary. This shows how much income you earned and how much tax you paid.

For information to help you lodge a tax return visit:

- ato.gov.au/incomemustdeclare
- ato.gov.au/deductions
- ato.gov.au/incomestatement

Record keeping

When you lodge your tax return, we process it and work out whether you have paid the right amount of tax. We let you know the result by sending you a notice of assessment.

You must keep records, such as receipts, for any deductions you claim. You need to keep these records for at least five years from the date you lodge your tax return. We may ask you to show us these records.

For more information about record keeping, visit ato.gov.au/taxrecords

myDeductions is a convenient way to keep your expense and income records in one place. Download the ATO app to your smart device and select the myDeductions icon. Go to ato.gov.au/app

For more information about the myDeductions tool, visit ato.gov.au/myDeductionatoapp



Complete and lodge your tax return

When to lodge

You can lodge online using myTax, through a registered tax agent or complete a paper tax return. Your tax return covers the income year from 1 July to 30 June. Your tax return must be lodged or you must engage a tax agent by **31 October**.

When you lodge online with myTax or use a tax agent, we pre-fill your tax return with information we already have. For example, employment income and bank interest. For most people, this will be ready by the end of July. Waiting for us to pre-fill your information can make doing your tax return easier and more accurate.

We will pre-fill this information as we receive it, so you need to check the details are correct and add in anything that is missing.

For more information about how to lodge your tax return visit ato.gov.au/lodgingtaxreturn

Lodge online using myTax

You can lodge your tax return online using myTax. It is the quick, easy, safe and secure way to lodge online.

To use myTax, you first need to create a myGov account, and link your account to ATO online services.

For more information about myGov and linking to the ATO visit ato.gov.au/linktomygov

We recommend you link before tax time (1 July) to ensure you receive all communications and there are no delays in lodging your tax return.

Once you have linked to ATO online services, you can access myTax to lodge your tax return.

For more information about lodging your first tax return visit ato.gov.au/firstreturn



Lodge using a registered tax agent

You can use a registered tax agent to prepare and lodge your tax return. You need to contact them before 31 October.

For more information visit
ato.gov.au/lodgewithanagent

Help and support to lodge

At tax time you can get free help with your tax. Our Tax Help service is for people on incomes around \$70,000 or less a year. If you need help completing your tax return, our trained volunteers may be able to help you. They provide a free and confidential service to help people complete their tax returns online using myTax.

Tax Help is in all capital cities and many other places in Australia from July to October each year. For more information about Tax Help visit
ato.gov.au/taxhelp

Protect your information



It's important to protect your personal information.

Your TFN is with you for life, so keep it secure. You keep the same TFN even if you change your name or address, change jobs, move interstate, or go overseas.

Don't let anyone else use your TFN, not even friends or relatives. Allowing someone else to use it, giving it away or selling it is a crime.

Only give your TFN to:

- us when discussing your tax records
- your employer after you begin work, but don't provide it on job applications
- your bank or other financial institutions
- Services Australia
- your registered tax agent
- your superannuation (super) fund
- your higher education provider or university to access a student loan such as the Higher Education Loan Program (HELP).

If you think your TFN is lost, stolen or misused, report it to us immediately, for more information visit ato.gov.au/FindmyTFN

Make sure you keep personal identity details secure to help prevent identity crime. Identity crime happens when people's identity details are used to commit crimes.

Remember:

- don't share your myGov or other online passwords with anyone – not even your tax agent (if you use one) needs these
- don't include your TFN, passwords or other sensitive information in emails.

Scam emails, faxes, SMS and phone calls can look and sound very convincing. Be aware and if you're unsure who a communication is from, contact us by visiting ato.gov.au/phoneus or visit ato.gov.au/scams

For more information about how to keep your personal details safe visit:

- protecting your information – ato.gov.au/identitycrime
- tax scams – ato.gov.au/scams
- identity crime – ato.gov.au/identitytheft
- scamwatch.gov.au



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