



New to tax and super

Are you new to tax and superannuation?

This information will answer questions you may have about how tax and super work and what you need to do.

Why we have tax

The Australian Taxation Office (ATO) collects taxes for the Australian Government.

The taxes we all pay fund community services such as:

- health care
- education
- emergency services
- roads and train lines
- the Australian Defence Force
- welfare and disaster relief.

Having the services we all value depends on everyone paying the right amount of tax.

Protect your information

It's important to protect your personal information.

Remember:

- Keep your TFN safe; only give it to your employer and your tax agent (if you use one) and don't let anyone else use it – even if they are a friend.
- 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.
- To report a scam or if you think something is a scam, contact us or go to ato.gov.au/scams

Starting work

Basis of your employment

When you start working, you need to know if you are an employee, contractor or working for yourself. You may need to:

- apply for a tax file number (TFN), which is your personal reference number
 - it is free to apply
 - go to ato.gov.au/getTFN
- complete a TFN declaration, which lets your employer know how much tax to withhold from your income.

Your income and paying tax

When your employer pays your salary or wage, they take out tax and send it to us. Your payslips will show how much tax has been taken out.

Some employers deposit your pay into your bank account, but others will pay you cash. Either option is okay, so long as they take the right amount of tax from your pay and send it to us. Your employer is also required to pay superannuation into a super fund you nominate. Your payslips will show how much

tax and super your employer contributes. If your employer doesn't do these things, you could be getting less pay and super than you should.

Tax-free threshold

If you're an Australian resident, the first \$18,200 you earn is tax free. This is known as the tax-free threshold. You can claim the tax-free threshold when you complete your TFN declaration with your employer. If you earn less than \$18,200 for the entire financial year you generally don't have to pay any tax.

If your employer withholds any tax from your pay and your income is below the tax-free threshold these amounts can be refunded to you when you lodge your tax return.

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.

Getting online to make life easier

You can manage your tax and super in one place using ATO online services.

First, create a myGov account and link to the ATO.

You can create your myGov account at my.gov.au

To link to the ATO:

- go to the **Services** tab in your myGov account
- select **Australian Taxation Office**
- select **Questions specific to you** – you will need to answer two questions about information we already hold.
- If you can't answer these questions, select **Use a linking code** and contact us to complete the process, go to ato.gov.au/linkmygov

Once you're set up, download the myGovID app. You can connect myGovID to your myGov account for a simple, flexible and secure way to sign in. Go to mygovid.gov.au

Tax returns

When you need to lodge a tax return

Generally, when you have tax taken out of your pay during the year or earn over \$18,200 during the financial year (1 July to 30 June), you need to lodge a tax return.

If you're lodging your own tax return it is due by 31 October.

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

At the end of the financial year you will be able to see your total salary and tax taken out from your pay on your income statement. You can access your income statement through ATO online services in myGov.

To find out if you need to lodge a tax return, go to ato.gov.au/doineedtologde

How to lodge

Lodge online with myTax

Lodging with myTax is an easy, safe way to lodge your tax online for free. To use myTax, you first need to have a myGov account and link your account to the ATO. Once linked, you can use myTax simply by clicking through to the ATO in myGov – click **Prepare** to start your tax return.

For more information on how to lodge online using myTax, including a video to help you, go to ato.gov.au/mytax

Lodge through a registered tax agent

A tax agent registered with the Tax Practitioners Board (TPB) can prepare and lodge your tax return. You can find a tax agent or check if one is registered by visiting the tpb.gov.au

Registered tax agents are the only people allowed to charge a fee to prepare and lodge your tax return.

If you're going to use a tax agent, you need to contact them before 31 October so they can include you in their lodgment program. Tax agents have longer to lodge returns so they may do it later than 31 October, but you need to be on their client list before then.

Information you need to lodge

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 pre-fill this information as we receive it. You just need to check the details are correct and add in anything that is missing.

Make sure you include income from all sources (whether it pre-fills or not).

Deductions

If you spend money on things to do your job you may be able to deduct these expenses from your income on your tax return. These are called deductions and might include expenses you incur for items like protective clothing or other equipment. You can also claim a deduction for gifts or donations you make to Deductible Gift Recipients.

If your employer reimburses you for the money you spent, you can't claim a deduction. You also need to keep records, such as receipts, for deductions you claim. We may ask you to show us these records and you need to keep them for at least five years.

The myDeductions tool is a convenient way to keep your expense records in one place. To use this tool, download the ATO app to your smart device and select the myDeductions icon.

The important thing to remember about deductions is that you apply them to reduce the amount of income you pay tax on. You don't deduct them directly from your tax amount. If you are not required to pay tax, you will not receive extra back for deductions when you lodge your tax return.

Find out about deductions you can claim at ato.gov.au/deductions

What happens after you lodge

When you lodge your tax return, we calculate the amount of tax you need to pay on your total income less any deductions you are eligible to claim for the year. Once we've processed your return, we'll send a notice of assessment to your myGov Inbox or your tax agent. This will show whether you will get a refund (because you've paid more tax than you needed to throughout the year), or you need to pay more tax.

Your tax return normally takes up to two weeks (14 days) to process.

Information you give is matched with information we have received from a range of sources. Where allowed by the law, we share the information with other government agencies such as Services Australia. You can check the progress of your return by going through to the ATO in myGov. If you use a tax agent, they can check the progress of your return through their software.

If your assessed income tax on your notice of assessment is \$100 or more you will get a tax receipt in your myGov account. It will show how the tax you've paid has been allocated to the community.

Superannuation

Superannuation (super) is money set aside during your working life for when you retire. For most people super begins when you start work and your employer starts paying super guarantee and a portion of your salary or wages into a super fund for you.

Most people can choose the fund that their employer pays super into and it's important to keep track of your super. Your super will stay in your super fund until you retire. You can

only access your super early in very limited circumstances.

Keeping track of your super

If you look after your super now, you will have more money to enjoy later. It's important that you know:

- if you're entitled to super and how much you are getting from your employer
- what super accounts you have – try to

have only one super account so you can save on fees

- how to consolidate your super if you end up with more than one account
- what insurance is included
- you can check and manage your super by going through to the ATO from your myGov account.

Find out more about super

at ato.gov.au/superforindividuals

Help and support we provide

You can find out what help and support we can provide you, including [ATO Community](https://ato.gov.au/ATOCommunity) and the Tax Help program at ato.gov.au/newtotax

