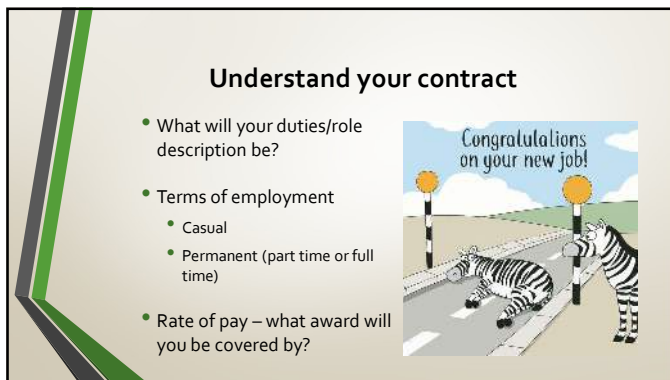


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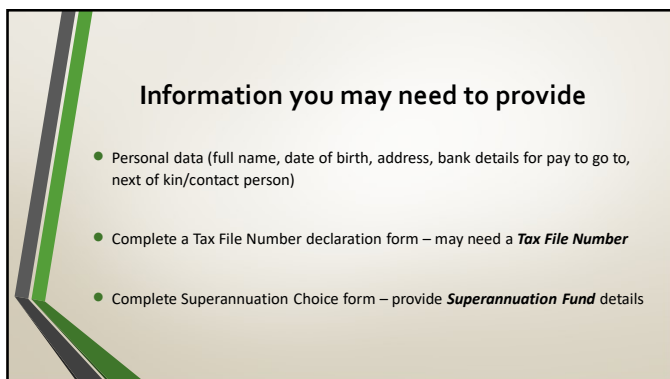
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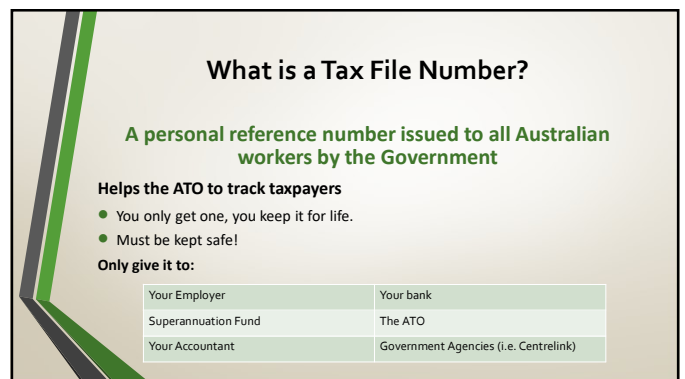
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6

Who needs a Tax File Number?

- Over 18 and working
- Under 18 and earning over \$18,200 per year (or \$350 per week)
- Any age – with other income over \$18,200 per year (such as investment income)

7

How to get a Tax File Number

It's FREE!

- Apply online if you are 15 or over and have a passport.
- Otherwise apply at the post office.

8

What is Superannuation (Super)?

Government system that helps people put away money throughout their working lives to fund their retirement.

- Employers must contribute money into your super fund over your working life
- You can also choose to contribute your own funds into super
- When you eventually retire, you will have money to live on!

9

Who needs a superannuation account?

- ✓ Over age 18 and working, or
- ✓ Under age 18 and working more than 30 hours in a week
- You can set up your own super fund account, or your employer can set up default fund.
- When choosing a fund, do some research. Speak to a trusted person (e.g. parent), google - top performing funds.
- Keep all your super savings in one account, give the same super fund details to each employer.

10

Managing Your Money

Adulting Tips!

11

Prepare a Budget

Estimate what costs you need to pay over a future period and make plans to ensure you will be able to afford them.

12

Expenses

RENT/BOARD	\$ 200	
FUEL	\$ 80	
REGO	\$ 70	
INSURANCE	\$ 25	
LOAN PAYMENTS	\$ 100	
PHONE	\$ 30	
CLOTHES	\$ 100	
FOOD	\$ 200	
FUN	\$ 300	
TOTAL	\$1105(per month)	




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Savings Goals

	NEW CAR	\$ 250	
	TRIP TO BALI	\$ 100	
	TOTAL	\$350(per month)	

14


Income

		
PART TIME JOB	\$ 2800	
BIRTHDAY CASH	\$ 50	
ALLOWANCE	\$ 200	
TOTAL	\$3050(per month)	

15

Budget

INCOME	\$3050
LESS EXPENSES	(\$1105)
LESS SAVINGS GOAL	(\$ 350)
BALANCE LEFT OVER!	\$1595



16

Will you have enough to cover everything?

- **Yes?** Great! Consider saving the surplus funds. 😎
- **No?** Re-think your expenses or earn more income! ☹️

17

Banking - Set yourself up for success

Choosing a bank – do some research

- Do they have a branch near you? ATMs nearby?
- Transaction and withdrawal fees? Setup fees?
- How good is their banking app?

Setting up an account...

You'll need ID. While under 18, may need to take a parent or guardian with you.

18

Bank Accounts

1. SPENDING ACCOUNT 
2. SHORT TERM SAVINGS 
3. LONG TERM SAVINGS 

Consider having two or even three bank accounts.



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Tip!

Don't have an EFTPOS card attached to your short-term or long-term savings account.



20

Credit Cards & Afterpay

DO YOUR RESEARCH!!

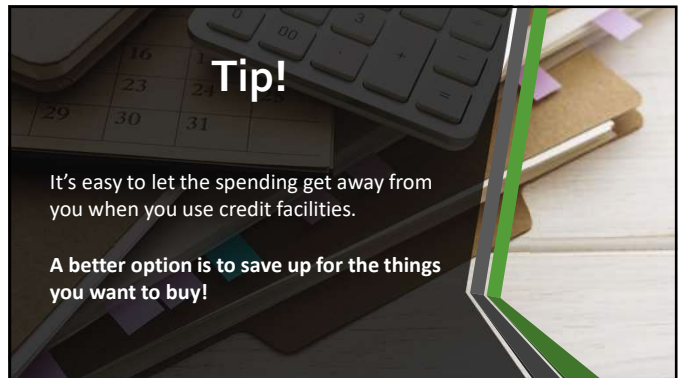


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Tip!

It's easy to let the spending get away from you when you use credit facilities.

A better option is to save up for the things you want to buy!




22

Record Keeping

Set up a system so you are keeping track of important documents and information.

Important records to keep include:

- Any work-related expense receipts – keep for five years after you lodge your tax return.
- Investment information – e.g. share transaction, dividends, cryptocurrency trading – keep until five years after they are sold!
- Copies of your bank statements




23

Record Keeping

- Car documents:
 - ✓ Maintenance records & registration papers will be needed if you sell your car.
 - ✓ Insurance paperwork for if you have an accident.
- Your tax file number and related tax documents
- Superannuation fund information

Consider scanning and saving!



24

Record Keeping

KEEP THE ORIGINALS SAFE!

- Drivers licence
- Passport
- Birth Certificate



25

BREAK

26

What The Tax?!



27

Australian Income Tax System – The Basics

Federal Government collects income tax to fund programs

- Social Security (welfare payments)
- Medicare
- National Defence

28

How do I work out how much tax to pay?

- Tax free threshold - \$18,200
- Progressive tax system (the more you earn, the higher your tax rate)
- Lowest tax rate – 16%
- Highest rate – 45%

29

2024/2025 Income Tax Rates

Taxable income	Tax on this income
0 – \$18,200	Tax Free
\$18,201 – \$45,000	16c for each \$1 over \$18,200
\$45,001 – \$135,000	\$4,288 plus 30c for each \$1 over \$45,000
\$135,001 – \$190,000	\$31,288 plus 37c for each \$1 over \$135,000
\$190,001 and over	\$51,638 plus 45c for each \$1 over \$190,000

30

Additional amounts

Medicare Levy – Funds health care system (2% additional tax)

HELP debt repayments – once you earn over \$54,435 for the year (as at 1 July 2024)

31

How do I pay income tax?

- **Employment income** - employer withholds tax from your wage or salary and pays it to the ATO. You receive the net amount, sometimes known as "after tax" income.
- **Investment/business income** – you need to save for the tax yourself. Examples:
 - Bank interest
 - Dividends on shares
 - Business profits

32

Lodge an **Income Tax Return** for each financial year (1 July to 30 June)

How do I know how much tax to pay?

- Calculates how much tax you owe
- Works out how much tax you have already paid
- Paid too much – get a refund
- Not paid enough – get a bill

33

Do I have to lodge a tax return?



Income > \$18,200



Income < \$18,200 but you have had tax withheld



You carried on a business

34

Important Dates

- Financial year end – 30 June 2024
- Tax return due (if self lodged) – 31 October 2024
- Tax return due (if using an accountant) – 15 May 2025

35

Tax is payable on your **Taxable Income**.

Taxable income = **Assessable Income less Allowable Deductions**

36

Assessable Income



WAGES & SALARY



BANK INTEREST



DIVIDENDS FROM SHARES



RENT YOU RECEIVED FROM AN INVESTMENT PROPERTY



BUSINESS INCOME

37

Allowable Deductions



CHARITY DONATIONS




PRIORYEAR ACCOUNTANT FEES



WORK EXPENSES

38

MyTax: Tax Time Made Simple



39

Doing your Tax Return!

```

    graph TD
      A[What is myTax?] --> B[Setting up myTax through your myGov account.]
      C[What information do you need before using myTax?] --> D[The myTax process.]
      E[myTax verses Accountants: which should you use?] --> D
      B --> D
      C --> D
  
```

40



Quick Recap...

TAX RETURN = government form used to report yearly income and deductible expenses to calculate how much tax you are required to pay.

AUSTRALIAN TAXATION OFFICE (aka 'ATO') = the government agency that collects taxes for the Australian Government.

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Who can do your tax return:

1. Do it all yourself via MyTax at no cost. 
2. Accountants/Tax Agent – you give them your information, they prepare the form, you just review and sign. They will charge you to do this. 

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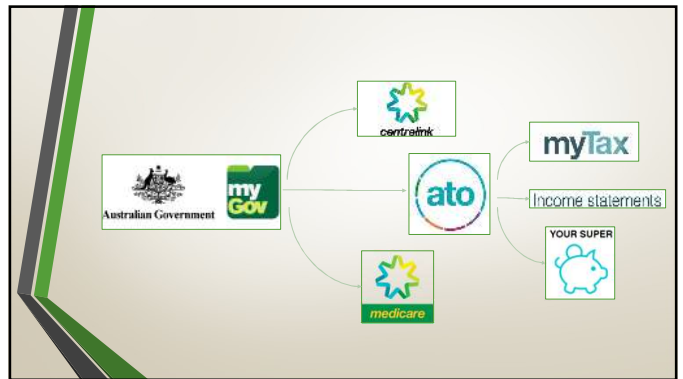
myTax What is myTax?

myTax is an online, government-run service accessed via your myGov account. Designed to be a simple way for you to prepare and lodging your own tax return.

myGov is an online portal that brings all government services to one place, such as Centrelink, Medicare, and the Australian Tax Office.

'A fine is a tax for doing wrong. A tax is a fine for doing well.'
~ Mark Twain

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44

45

Individual enquiries:

- myTax
- tax file number
- progress of returns
- tax return preparation
- higher education or trade loans
- PAYG instalments for individuals
- myGov linking code

13 28 61

8:00am - 6:00pm
Monday - Friday
10:00am - 2:00pm
Saturday

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What information do you need before using myTax?

The short answer...not much really!

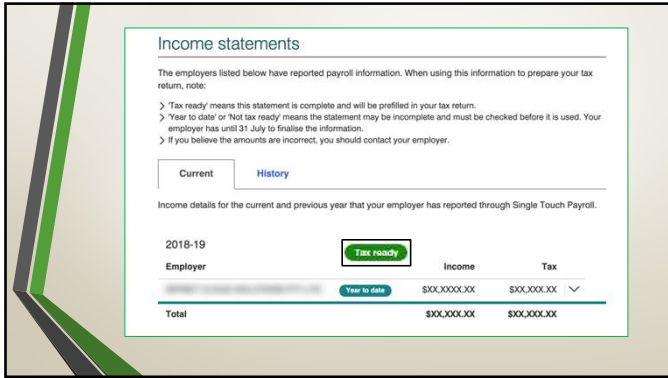
Information usually entered for you:

- Income from your employer/s
- Interest on any bank accounts
- Government payments e.g., Youth Allowance
- Private health insurance details

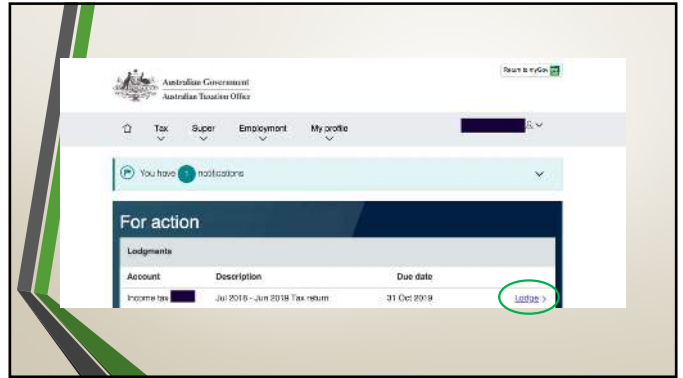
But, you will need receipts and other expense information to manually enter your tax deductions.

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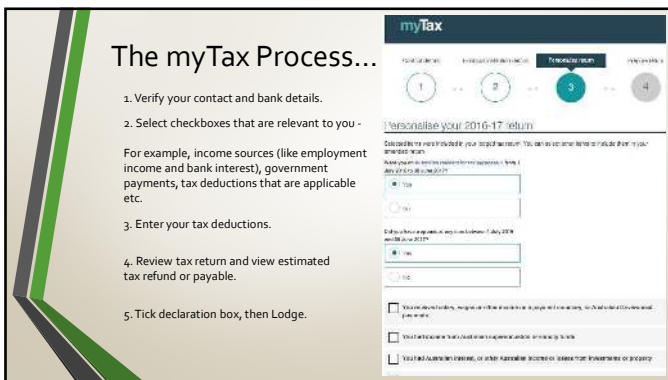
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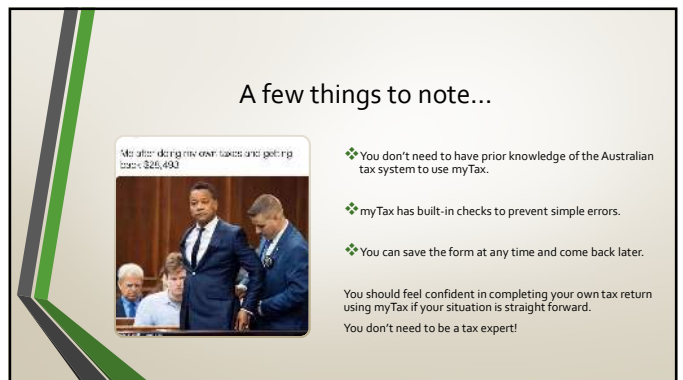
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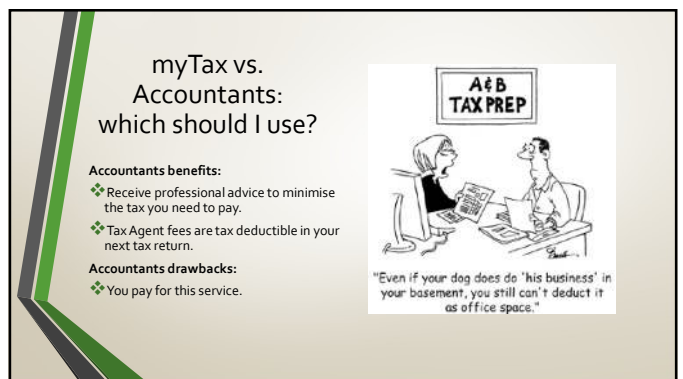
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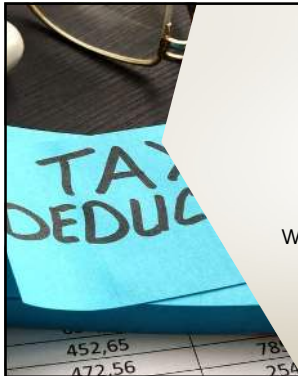
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Tax Deductions

What are they and how can they help?

55

What are deductions?




An expense you incurred during the year which can be used to reduce your taxable income which in turn, reduces your income tax.

56

To claim an expense as a deduction:

1. You must have **spent the money** yourself and not been reimbursed.
2. The expense is directly **related to earning your income**.
3. You have **records to prove it** (usually receipts)



57



Common Work-Related Deductions

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Clothing and Laundry

Three main types of clothing deductions:

1. **Occupation specific** – example chef's pants
2. **Protective Clothing** – examples:
 - Steel cap boots
 - High-vis clothing
 - Sun protection
3. **Compulsory/Non Compulsory Uniform** (with registered logo)





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Clothing and Laundry

All other "regular" clothing is **NOT** tax deductible, even if your employer requires you to wear it.

Examples: suits, black pants, jeans, shorts, socks, sneakers.




60

Clothing and Laundry

You can also claim the costs for washing, drying, and ironing your work uniform.

ATO allows a "per washing load" claim:


1. \$1 per load (work clothes only), or
2. 50c per load (mixed loads)



If you are claiming more than \$150 worth of laundry expenses, you must have proof!

61

Tools & Equipment




- You can claim a deduction for the tools and equipment you buy, so long as they are used to help earn your income.
- Tools used for both work and private purposes can only be claimed using the business proportion.

For example, if you buy a laptop half for work and half for home, you can only claim 50% of the purchase price.

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Tools & Equipment – Common examples




- Calculators & Stationery
- Computers and software
- Desks, chairs and lamps
- Filing cabinets and bookshelves
- Hand tools – spanners , hammers and screwdrivers.
- Power tools – grinders and sanders.
- Protective items - Hard hats, safety glasses, sunglasses, and sunscreens.


63

Work related use of your car

- Car expenses **do not** include the kilometres driven from home to work.



- You **can** claim travelling:
 - From one work site to another
 - From work to meetings and back
 - Between two different jobs



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Work related use of your car

Two methods of claiming:


1. Log book method
 - 12 week log book, keep all receipts.
2. Cents per KM method (up to 5000kms)
 - Must keep records of kms – eg diary entries.

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Other deductible expenses include:




WORK RELATED USE OF YOUR PHONE




WORKING FROM HOME EXPENSES



UNION FEES



SEMINARS



SUBSCRIPTIONS

66

Expenses you CAN'T claim a deduction for:

- Conventional clothing
- Personal grooming
- Reading glasses
- Medical expenses
- Food & drink
- Driving to and from work
- Fines (e.g. speeding, parking)
- Social functions
- Child care
- Drivers license
- Newspapers




67

Keep your receipts!


For 5 YEARS

Scanned and saved is fine



68

Check out the myDeductions app



69

Other Auditing Info

Last few things...

70

Running a Business

Full-time gig or side hustle?

Work out if it's a Hobby or considered an actual Business

If a Business – you may need an Australian Business Number (ABN)



71

If you are running a business, what is the best structure for you??

<p>Sole Trader</p> <ul style="list-style-type: none"> • Have your own ABN • Just you doing the work • Smaller enterprise • Low levels of income 	<p>Partnership/Trust/Company</p> <ul style="list-style-type: none"> • The entity has the ABN • More than one business owner • Larger enterprise • High levels of income
--	--

72

Consider getting professional advice about...

- Registrations
- Insurance
- Tax compliance obligations



73

"Cashies"

- Goods & services or employment paid for in cash
- No receipts or official paperwork
- Done to avoid tax, super and other employment costs

Don't do it, it's illegal!



74

Government Support

Australian Government offer support services for young people.

- Health
- Study/Education
- Getting into the workforce
- Parenting
- Community support




75

Financial Support

- Youth Allowance
- JobSeeker
- Rent Assistance
- ABSTUDY

Apply via Centrelink to see if you are eligible




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Security & Scams

Scam = someone deceives you into providing personal or financial information so they can steal from you.

Be aware and keep your information safe!



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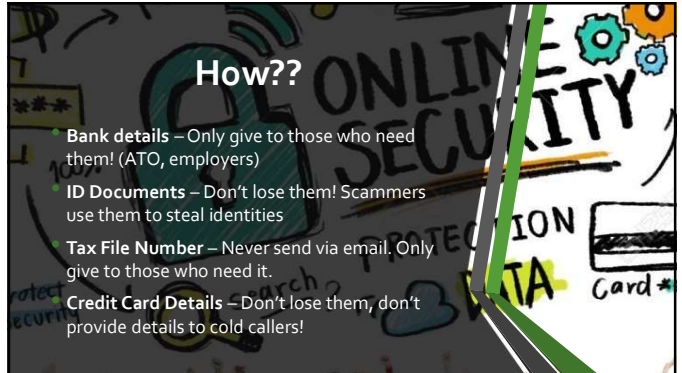
How??

Bank details – Only give to those who need them! (ATO, employers)

ID Documents – Don't lose them! Scammers use them to steal identities

Tax File Number – Never send via email. Only give to those who need it.

Credit Card Details – Don't lose them, don't provide details to cold callers!



78

If it sounds too good to be true, it probably is!

- "It's an amazing opportunity to make easy money"
- Someone you've never met needs your help (or money)
- Emails/texts with links – don't click them (possible phishing scams)
- Someone asks you to pay in an unusual way (e.g. iTunes cards)

If you think you have been a victim, act quickly! Contact your bank ASAP

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Check the Desborough Accountants website for:

Notes from this presentation

Some handy links

desborough.com.au

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Questions



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