

TAX TIPS FOR STUDENTS



GETTING **YOUR REFUND**

If your total taxable income for the year ended 30 June 2019 is below the tax-free threshold of \$18,200 you may not need to lodge an income tax return.

However, if you have had tax withheld from your income during the year and are under the threshold, you must lodge a tax return to have these withholding amounts refunded to you.

Typical examples of situations where tax may have been withheld are pay as you go (PAYG) withholding amounts from your salary, withholding from bank interest income during the year where you have not provided your tax file number (TFN) to your bank, or distributions from a family trust where you have not previously provided your TFN to the trustee.

SET **UP YOUR MYGOV ACCOUNT**

If you haven't already, you should set up your myGov account which is a secure way to access government services online with one login and one password. You can then link government services, including the ATO, to your myGov account. If you choose to lodge yourself, myTax is accessed through your myGov account.

If you work for a large employer, this year they'll be giving you your income statement (formerly known as payment summaries) via myGov. You will also be able to see your superannuation information there as well.

From next year, almost all employers will report your tax and superannuation information this way.

IDENTIFY **ALL YOUR SOURCES OF ASSESSABLE INCOME**

To determine whether or not you need to lodge a tax return, identify all sources of income derived during the year that is assessable for income tax purposes.

Such amounts include:

- income from work as an employee or a contractor, including any tips or gratuities received
- investment income, such as any bank interest or dividends on shares received
- certain government payments received such as Youth Allowance, ABSTUDY, living allowance and Austudy
- some non-government scholarships, grants and awards
- distributions from a family trust or partnership

If you get paid cash in hand, you still need to declare the cash as income on your tax return. Check that your pay slip or income statement shows all your earnings and the amount of tax

REPORT **INCOME AND EXPENSES FROM THE GIG ECONOMY AND ANY SIDE HUSTLES**

If you drive people around, do odd jobs, give private tuition, rent out your possessions, run social media accounts or sell products, your income from such activity may be assessable and your expenses deductible. This can include barter and cryptocurrency payments as well.

The ATO is receiving data from a range of websites including Airtasker, Uber, Airbnb and eBay which is matched against tax returns. Make sure you keep records and report correctly.

For some activities such as online selling, you'll need to first determine whether you are in business. View [more information](#) or talk to your tax agent.

MADE **ANY GAINS OR LOSSES FROM CRYPTOCURRENCIES?**

The ATO is now matching transaction data obtained from digital currency exchanges so it is more important than ever that you ensure cryptocurrency gains and losses are correctly reported.

If you either currently are or have been involved in acquiring or disposing of cryptocurrencies in the past, you need to be aware of the income tax consequences. These vary depending on the nature of your circumstances.

A person involved in cryptocurrency transactions needs to keep appropriate records for income tax purposes. If you have dealt with a foreign exchange or cryptocurrency, there may also be taxation consequences for your transactions in the foreign country.

If you are involved in cryptocurrencies, you should contact your tax agent for advice.

CHECK **YOUR SUPER**

If you're an employee and are paid more than \$450 before tax in a calendar month or are under 18 and work more than 30 hours per week, your employer should be making contributions into your nominated superannuation fund.

You can [check](#) if you're entitled to super payments and can [report](#) your employer if they haven't paid them.

You might also have a number of small-balance super accounts from working different jobs. Be aware that from 1 July 2019, inactive low-balance accounts will start to be consolidated, exit fees will be removed and insurance will be provided on an opt-in basis for members under 25 or with balances below \$6000.

CLAIM **DONATIONS**

The ATO will pre-fill your tax return with the gifts and donations information they have received. Make sure to add in any donations not included where the receipt shows your donation is tax deductible.

If you made one or more donations of \$2 or more to bucket collections conducted by an approved organisation for natural disaster victims, you can claim a tax deduction of up to \$10 for the total of those contributions without a receipt.

KNOW **YOUR DEDUCTIONS**

You are entitled to claim tax deductions for certain expenses that are directly related to the income you have received. For example, you can claim work-related deductions if you have the necessary receipts or credit card statements, they directly relate to the work you do, and you paid for the expense and were not reimbursed.

- Typical work-related expenses that may be allowable include:
- uniforms and protective clothing
- employment-related mobile phone and internet costs
- subscriptions and union fees
- travel expenses between worksites or client locations, but not the commute to and from home.

You can use the myDeductions tool in the ATO app to keep track of your expenses during the year then upload it via myGov to prefill your tax return. If you use a tax agent, they can access your uploaded data through their practice management software.

You should consult your tax agent to identify all eligible deductions.

CLAIM **THE RIGHT TAX OFFSETS**

If you receive Austudy, ABSTUDY living allowance, Newstart Allowance, youth allowance or other taxable Commonwealth government education or training payments, you are eligible for the beneficiary offset.

This offset ensures you do not have to pay tax on those payments. You may, however, have to pay tax on other income, such as wages or investment income.

In certain circumstances, the low-income tax offset will be available to reduce tax payable on such income provided your taxable income exceeds the tax-free threshold for the particular year.

The ATO will automatically calculate these offsets when they process your tax return. You may, however, be eligible for other tax offsets which you must claim through your tax return.

Students should therefore consult their tax agent to identify if any other tax offsets are available.

IDENTIFY **ELIGIBLE SELF-EDUCATION EXPENSES**

If your study is directly related to maintaining or improving your skills in your current occupation, or could increase your income from your current employment, you can claim self-education expenses.

Typical self-education expenses include:

- course fees
- textbooks
- stationery
- student union fees
- the depreciation of assets such as computers, tablets and printers.

By contrast, if you are embarking on study for the first time or if the study is unrelated to your work then the expenses incurred are not deductible.

UNDERSTAND **HELP DEBTS**

Higher Education Loan Program (HELP) debt repayments are not tax deductible.

If you have a HELP debt, repayments commence once your salary exceeds \$51,957 (this figure is for year ending 30 June 2019). The specific amount required to be repaid will depend on a range of factors, including your taxable income.

If you are working and you have filled out a tax file number declaration form indicating you have a HELP debt, your employer will withhold additional tax from your salary to assist you to cover your HELP debt. The ATO will automatically calculate what your HELP repayment is for the year once you lodge your tax return.

If you don't notify your employer that you have a HELP debt through the TFN declaration, your employer will not withhold the additional tax and you may therefore find yourself facing an unexpectedly hefty tax bill.

If your income varies significantly over a year and you do not expect to exceed the threshold, you can ask your employer to stop withholding the additional tax for HELP purposes and that additional tax withheld may be refunded to you after you lodge your tax return.

People who are overseas with a HELP debt are required to make repayments based on their worldwide income.

ARE **YOU A RESIDENT FOR TAX PURPOSES?**

The tests used to work out residency status for tax purposes are not the same as residency tests used for other purposes, such as immigration.

If you're an international student studying at an Australian education institution in Australia for a period of six months or more, you may be regarded as an Australian resident for tax purposes. You will therefore pay the same concessional rate of income tax as other resident taxpayers and have access to the tax-free threshold.

You will also be assessable on your worldwide income, not just the income from within Australia.

There are a number of [rules](#) to determine tax residency so you should always speak to a tax agent about your specific circumstances.

CONSIDER **THE SPECIAL RULES FOR THOSE UNDER 18**

Certain types of income derived by minors under the age of 18 may be taxed at a higher rate than would apply to that same income if the taxpayer was aged 18 or over. The types of income that may be taxed differently include:

- income received as a beneficiary from a trust
- interest, dividends, rent and royalties.

Such income will be taxed at a rate of 66 per cent plus 2 per cent Medicare Levy for income that is greater than \$416 and less than \$1307, and at a rate of 45 per cent plus 2 per cent Medicare Levy on income that exceeds \$1307.

Minors will not be able to typically claim the low-income tax offset to reduce their tax liability on such income.

Ordinary marginal tax rates will apply to other income derived by a minor aged under 18, such as:

- employment or business income
- taxable government payments such as Youth Allowance
- income from a deceased estate
- income from property transferred to a minor as a result of a person's death or a family breakdown
- net capital gains on a disposal of investments.

FIND **A GOOD TAX AGENT**

Student life can be financially challenging and those promises of large refunds can sound attractive. But be careful – the tax rules can be complicated, and those deductions need to be legitimate if you want to avoid paying extra tax, penalties and interest.

You should watch out for agents who offer a very low fixed fee, promise large refunds, spend very little time with you or don't ask for receipts. A good tax agent will ask you about your employment and any investments, and check that you've got the right records to back up your claims.

Finding a good tax agent is a great way to begin to understand your tax obligations. Some agents offer special rates for students, so don't forget to ask.

This document contains general advice only and is prepared without taking into account your particular objectives, financial circumstances and needs. The information provided is not a substitute for legal, tax and financial product advice. Before making any decision based on this information, you should speak to a licensed financial advisor who should assess its relevance to your individual circumstances. While The Field Group believes the information is accurate, no warranty is given as to its accuracy and persons who rely on this information do so at their own risk. The information provided in this bulletin is not considered financial product advice for the purposes of the corporations Act 2001.

OUR SERVICES

POPULAR

SME Business Accounting

POPULAR

Tax Consulting

SMSF Administra-

We currently manage approximately 250 SMSF's with our scope limited to :

- Administrative and compliance assistance including preparation of financial statements, tax returns and lodgements
- Facilitating the annual independent audit

Start-up Setup & Advice

If you're in a startup, it can be an exciting time full of creativity and innovation. But while it's great to do something you're passionate, you also need to make a living.

The Field Group accounting has helped thousands of small business get the best start by guiding entrepreneurs and founders with their accounting needs.

From basic tax compliance to complex budgeting & forecasting, we can put the processes in place to keep your start up business running smoothly.

Payroll Services

From timesheets to the preparation of pay slips and payment of salaries and superannuation, payroll is a time consuming activity.

Accrual and recording of annual and sick leave is a headache most employers can do without.

The Field Group Accounting processes your payroll on time and accurately. We offer a reliable time saving service that keeps your company compliant with all relevant legislation.

Audit & Assurance

The Field Group – Accounting has expertise in providing a full range of Audit and Assurance Services including:

- Corporate financial statement audits
- Self Managed Superannuation fund audits
- Not-for-profit organisation audits
- Real estate and Solicitors trust account audits
- Fraud investigations
- Internal control reviews

- Asset protection advice
- Business name registrations
- Business structuring advice
- Preparation of business plans
- Advice and assistance in buying and selling a business
- Business valuations
- Business key data analysis
- Benchmarking
- Business consultancy
- Business succession planning
- Annual or periodical financial statements
- ABN, GST and other Australian Tax Office registrations

- Year-end financial statements
- Business income tax return
- Individual income tax return
- BAS preparation and lodgment
- Workers Compensation Renewals
- Company Register and ASIC Maintenance
- Payroll Tax calculation and annual reconciliation
- Fringe Benefits Tax returns
- Year-end PAYG payment summaries & payment summary statement preparation

OUR COMPANY



“We exist to help our clients grow, manage and protect their financial position.”

OUR VISION

Our Vision is to be the undisputed first choice financial services group in Melbourne’s outer east providing the highest quality strategic advice and service to our clients.

OUR EXPERTISE

Our expertise in accounting has come from working with large corporations but we’ve found a way to introduce accounting to Small-Medium Enterprises (SME) that turned small into BIG. By specialising in providing our services to SMEs, we are able to offer accessible rates and a growth-oriented approach that is hard to come by in the market.

OUR VALUES



In today’s evolving financial environment, personal and business interests frequently overlap. Taxation and wealth creation used to belong to the world of commerce, but we now see, more than ever, the complexities that exist between our personal and business relationships.

The Field Group’s origins date back to 1951. From those humble beginnings the firm has established a culture of personal service and advice that goes beyond simply preparing a tax return or buying some shares.

We endeavour to build a strong trusting relationship with our clients & aim to help our clients achieve their long-term wealth, business and personal goals.



PROFESSIONAL TEAM

Our experienced and friendly team of small business accounting professionals are ready to help you achieve your personal & business goals. We love to support the local community & help small businesses grow!



ON TIME SERVICE

We understand that time is valuable. With your help we guarantee to perform our work on time and before ATO deadlines. The Field Group provides experienced professional advice and services that you can always rely on.



PASSIONATE WORK

We don’t sit behind computers and throw numbers through the same process each time. We don’t believe in one solution for every small business. Our service is personalised and will help your business experience a one-of-a-kind accounting solution that fits your (and only your) parameters perfectly.