

Tax for Teachers 2011

Why does the ATO focus on school teachers?

According to the ABS there are [280,000 teachers in Australia](#).

This makes teaching one of the most common of all occupations.

So when the ATO says it is “targeting” school teachers, they can get the attention of a large audience.

This is probably why it feels like teachers are on the Tax Office radar every couple of years.

(The 2011–12 list includes real estate employees, carpenters and flight attendants, but not teachers).

So how do you claim what you are entitled to without doing anything illegal?

Here are some areas the ATO pays close attention to:

1. Claims that cannot be supported by written evidence
2. Incorrectly claiming home office, mobile phone and internet expenses (see pg 3)

3. Insufficient documentation to support motor vehicle and travel expenses (see pg 3)

4. Claims for non-deductible or private expenses (see pg 4)

5. Large and unusual claims
 The ATO looks at “[claims outside normal occupation, individual or industry ranges](#)”

Read on to find out a bit more on these topics, or visit the ATO link mentioned in the article below.

Jarrod Rogers CPA

Don't wait until the next school holidays to get your tax refund. We have teacher-friendly hours, including evenings and Saturdays. Online consultations available. Log in from your home or workplace.

Free ATO Publication

The ATO has produced a free publication to assist teachers prepare their tax returns.

It is called **Teachers 2010–11**.

A new version of the document is released

every year and it runs through examples of what you can and can't claim.

Much of the flyer you're reading now is drawn from the ATO publication.

To view a copy go to the ATO website at: www.ato.gov.au and search for **teachers** in the search box on the top-right of the screen.

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Calculating your income

Your PAYG Payment Summary (known as a *group certificate* until 1999) contains all you need to know about your teaching income for the year.

By law you must receive your PAYG Payment summary by **14 July 2011**.

The PAYG Payment Summary will be issued by the Dept of Education (state system) or by your school (private system). You need to make sure you include **every box with a number in it** in your tax return.

This includes any:

- Allowances (e.g. motor vehicle allowances)
- Reportable fringe benefits (e.g. if you salary package a car)
- Reportable super contributions (if you make extra super contributions)

Tip: some part-time teachers receive a PAYG summary from the education dept and their school. Both need to go in the tax return.

PAYG payment summary – individual non-business

Payment summary for year ending 30 June

NOTICE TO PAYEE

If this payment summary shows an amount in the total tax withheld box, you must lodge a tax return. If no tax was withheld, you may still have to lodge a tax return. For more information on whether you have to lodge, or about this payment and how it is taxed, you can:

- visit www.ato.gov.au
- refer to *TaxPack*
- phone **13 28 61** between 8.00am and 6.00pm (EST), Monday to Friday.

Day/Month/Year to Day/Month/Year

Period of payment _____ to _____

Payee's tax file number _____

TOTAL TAX WITHHELD \$

Gross payments	\$	<input type="text" value="1"/>	Lump sum payments	Type
CDEP payments	\$	<input type="text"/>	A \$	<input type="text"/>
Reportable fringe benefits amount FBT year 1 April to 31 March	\$	<input type="text" value="3"/>	B \$	<input type="text"/>
Reportable employer superannuation contributions	\$	<input type="text" value="4"/>	D \$	<input type="text"/>
Total allowances	\$	<input type="text" value="5"/>	E \$	<input type="text"/>

Total allowances are not included in Gross payments above. This amount needs to be shown separately in your tax return.

Completing your tax return

Amount	What is this amount?	Tax Return Item
1 Gross Payments	Your pre-tax salary.	Item 1
2 Tax Withheld	Tax deducted from your pay	Item 1
3 Fringe Benefits	Salary packaged items, like a motor vehicle on novated lease	Item IT1
4 Reportable Super	Super contributions above employer amount (nil for most ppl)	Item IT2
5 Allowances	Extra pay to cover expenses, e.g. Car travel	Item 2

Car Expenses



Don't stress about keeping car receipts. You can claim car expenses without any receipts.

Almost every teacher I meet uses their car for work – but not all of them are claiming car expenses on their tax return.

Many people miss out on claiming because they wrongly believe they must have a log book.

If you are claiming car expenses using the **cents per km** method you don't require written evidence (e.g. receipts).

You just need to show how you calculated business kilometers travelled (e.g. from your diary).

You then multiply the km travelled by the **ATO rates**.

Engines <1.6 L	63 cents
Engines 1.6—2.6L	74 cents
Engines > 2.6L	75 cents

Include:

- Excursions & camps
- PD days & conferences
- Travelling to another school
- Travelling between two school campuses

Do not include:

- Trips to social functions
- Travel to and from your own school, even if it is after hours or on Saturday.
- Any car expenses if your car is leased via salary sacrifice.

Home to work travel is claimable in limited circumstances such as if you are carrying heavy or bulky items to school (e.g. a large musical instrument or woodwork tools).

Other travel expenses

You can claim for **public transport** fares, **taxi** costs and even **airfares**. but you need to keep receipts/tickets.

Home office expenses

Most teachers will work from home to finish corrections, lesson plans or reports that could not be done at school.

Teachers claim the costs of electricity, gas and furniture by claiming actual costs, or by using a fixed rate of **34 cents per hour**.

You have to prove the hours worked at home by keeping a diary for a representative **four week period** showing the

hours you worked in your home office.

You can use this diary to work out the home office hours for the full 40 week school year.

Most teachers cannot claim **occupancy costs** include rent, mortgage interest, rates and insurance.

Computers and internet

In addition you can claim the cost of a home computer or internet connection if you use

these for work.

Purchases over \$300 are subject to depreciation. And you can only claim the portion that relates to work.

For example, if 25% of your household internet use is related to your work then claim 25% of the cost.

Telephone Telephone includes home and mobile calls (again, private use / work use apportionment is required).

Can I claim a deduction for...

YES! You CAN claim...

- ✓ Answering machines and part of your home phone rental
e.g. casual relief teachers who are on call and need to be contacted
- ✓ First aid courses
If you are a designated first aid person at school
- ✓ Sunglasses, sun protection for outdoor work like yard duty, phys ed.
- ✓ Excursion expenses
- ✓ Stopwatch

No! You CAN NOT claim...

- ✗ Social functions and staff association fees
- ✗ Student expenses / gifts
Includes gifts & items supplied to students for their individual needs
- ✗ Newspapers
- ✗ Computers paid through pre-tax deductions e.g. via the Education Dept .
- ✗ Fitness expenses, even if you teach phys ed.
- ✗ Grooming expenses
- ✗ An ordinary watch

The top deductions teachers should be claiming

1. Teacher's Registration (e.g. VIT in Victoria)
2. Union Fees (AEU, VIEU etc)
3. Travel & car costs (pg 3)
4. Home office expenses (pg 3)
5. Stationery
6. Classroom supplies & teaching aids (e.g. art supplies, stickers & prizes)
7. Text books (for use as a resource, or for student use)
8. Self-education costs (degree or diploma courses related to your teaching role)

Other tax issues

This publication only covers tax issues specific to teachers. But there are many other issues and hints to bear in mind.

Bank interest

Don't forget to declare any bank interest in your tax return. The ATO checks tax returns against data from the banks.

Medical expenses

A 20% rebate is payable on medical expenses over \$2,000.

This includes expenses for your partner and dependent children.

Eligible items include doctor, dentist, orthodontist, medicines and optical.

Education tax refund

Claim 50% back on certain education costs.

Find out more at <http://www.beyondaccountancy.com.au/?p=473>

Rental properties

There are many tax advantages

in being a property investor. If you are a landlord make sure you download our flyer: <http://www.beyondaccountancy.com.au/?p=345>

Super Co-contribution

If you are earning under \$61,980 the ATO could match some of your personal super contributions.

Search "42616" at ato.gov.au

Need help? Call us on

1300 823 011