

## FAJ Tax Tips for Teachers.

Our job is to help you get exactly what you deserve with your tax refund. So we created this 'Check List' to ensure it's as big as it can be! Phone FAJ for an appointment on 9335 5211.

**1 50% Education Tax Refund - up to \$794 per child.** Parents, don't miss out on this tax rebate which gives a 50% refund on certain education expenses including computers, iPads, MacBooks, internet and textbooks. You must be eligible for Family Tax Benefit Part A to claim the rebate on your tax return. Remember to keep your receipts. After 1 July 2011 the refund may be extended to school uniform costs.

**2 Super Co-contribution - get up to \$1,000 a year added to your super.** If your income is less than \$61,920 and you make personal super contributions (not salary sacrifice) you may be eligible to receive the Government's super co-contribution of up to \$1,000 per annum.

**3 Learn to get a bigger tax refund.** The costs you incur in attending work related seminars, conferences, first aid courses, workshops or training courses are deductible. Self-education expenses may be deductible for your University expenses where your course is related to your work as a teacher.

**4 Equipment.** You can claim depreciation on your work related use of: Laptops, computers and computer software, mobile phones, answering machines, telephones, fax machines, pagers, calculators and electronic organisers, a professional library, and tools and equipment. Work related teaching aids and stationery such as prizes, diaries, note books and pens may be 100% deductible.

**5 Travel, excursions, school trips and camps.** You can claim a deduction for the costs you incur when you take students on excursions, educational and sporting trips and camps if these trips have an educational benefit.

Travelling between two jobs or to education courses is tax deductible, and there might be other deductible travel you don't know about. Keep a log book, keep a note of your odometer reading at the end of the tax year and keep all your expense receipts. This will allow you to claim the best method - not just the easiest. Ask us for a complimentary FAJ log book.

**6 Home Office - working at home?** If you work in your home office you can claim 34 cents per hour for costs without receipts.

**7 Other expenses.** There are other expenses such as protective clothing, sun protection, laundry of compulsory uniforms, income protection insurance, donations, union fees, subscriptions, magazines and journals and tax agents fees that are tax deductible which sometimes people forget to claim. When you make all the claims you're entitled to, it all adds up. Our job is to make sure you get every cent you can.

**8 Don't forget about tax offsets.** Apart from tax deductions, there are some expenses that can be tax offsets. Examples are tax offset on out of pocket medical expenses over \$2,000, remote area (zone) tax offset, mature age workers offset and senior Australians tax offset.

**9 HELP (HECS) debt - best time to pay your debt?** Considering making a voluntary payment? You should do this by 31 December 2011. Remember the discount for voluntary repayments of \$500 or more reduces from 10% to 5% after this date. The discount for upfront payments by students also reduces from 20% to 10% after 31 December 2011. If you plan to pay off your total debt with a voluntary payment you will need to do it before you lodge your tax return to receive the discount.



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Where people count.

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**10 Investment properties.** Consider prepaying the interest on your investment property loan before 30 June so that you can get the deduction sooner. Engage a quantity surveyor or depreciation professional to maximise your depreciation claims for properties built or renovated after 1985. Individual depreciable items under \$300 can be written off immediately. Even better, if a depreciable item cost \$580 and you own the property jointly with your partner, you can claim an outright deduction as your portion is under \$300. Almost everything you spend money on related to your rental property will be tax deductible to some extent, so keep good records and let us claim everything possible.

**11 Salary packaging.** A good way to increase your take home income pay or your super balance is to take advantage of salary packaging. Some independent schools have rebateable status for fringe benefits tax, allowing you to limit your effective tax rate on salary packaged living costs to around 31% - this can benefit you if your income exceeds \$80,000. In addition you may benefit from packaging concessional items such as superannuation, motor vehicle leases and laptop computers. West State super members can salary sacrifice super in excess of normal deductible amounts. It's all easier than it sounds - we can help you select the best package for you.

**12 HELP (HECS) debt - reduce your debt by almost \$8,000.** Did you graduate in an education degree after 30 June 2009? If you did, you still have a HELP debt, and you were employed as a teacher, we can help you apply for a credit to your HELP debt of up to \$1,588 per year for 5 years, provided your income exceeds \$44,912.

**13 Family Tax Benefit - up to \$6,161 per child.** Not claiming Family Tax Benefit fortnightly? The good news is you may be eligible for a lump sum - but don't miss the deadline for claiming. You may be entitled if you have joint incomes of less than \$101,191 (for one child aged under 18 - higher limits apply for larger families). You may also be entitled to claim up to \$2,518 for dependent students up to the age of 24 (reducing to age 21 after 31 December 2011).

**14 Parental Leave Pay - \$570 per week for 18 weeks.** Expecting a baby? Most families are better off receiving Parental Leave Pay rather than the Baby Bonus. If you are eligible we can help you choose the payment which is best for you.

**15 Understand your marginal tax rate.** Your marginal tax rate is the top rate at which you pay tax on your income. We have a graduated income system, so the higher your marginal tax rate, the higher the return you receive for expenses. If your family has a tax-deductible expense that could be paid by either partner (for example, donations), it makes sense to pay this in the name of the partner with the highest marginal tax rate. Investments can be in the name of the family member who pays the least amount of tax. Or you can use a family trust for asset protection and income sharing. It can be very confusing, but we'll simplify it for you.



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*This handout contains information that is general in nature based on current taxation laws. You should not rely on this information without seeking your own independent advice.*