

# Working in Australia

What you need to know about how tax applies to income you earn in Australia.



# Welcome to Australia

Before you start work in Australia, make sure you have permission from the Department of Immigration and Citizenship (DIAC).

They can provide you with useful information such as which visas you need.

- If you have any questions, phone DIAC on **13 18 81**, Monday to Friday 9.00am to 4.00pm.

## Your residency status

If you're not a resident of Australia and you're here on a working holiday, it's likely you'll be taxed as a non resident, depending on your circumstances.

- ! **Remember, even if your visa says you're a resident, you may not be a resident for tax purposes.**
- > **If you're not sure if you're an Australian resident for tax purposes, use our online residency tool. To find it, visit our website at [www.ato.gov.au](http://www.ato.gov.au) and select For individuals – Non-residents & visitors – Are you a resident? First read *Residency – overview*, then go to *Are you a resident?***

## Applying for a tax file number

A tax file number (TFN) is your unique reference number in our tax system. We recommend you apply for a TFN to avoid being taxed automatically at the highest rate.

To apply for a TFN:

- visit our website at [www.ato.gov.au](http://www.ato.gov.au) and select For Individuals – Apply for a tax file number – Online individual tax file number (TFN) registration – Apply for a tax file number.
- phone us on **13 28 61**, 8.00am to 6.00pm Monday to Friday for more information.

It will take up to 28 days to process your application and we will send your TFN to the address you nominate.

## Paying your tax

If you are working as an employee, your employer will deduct the tax you have to pay directly from the salary or wages they pay you. They will then pass this money on to us.

Avoiding paying tax is against the law. If an employer offers to pay you cash-in-hand, it means they do not intend to deduct tax from the money you earn, or provide you with payslips. These employers are generally evading tax.



**If an employer offers to pay you cash-in-hand, report them to us by phoning 1800 060 062 between 8.00am and 6.00pm Monday to Friday.**

## The amount of tax you pay

The amount of tax you pay depends on:

- how much you earn
- whether you have a tax file number and give it to your employer
- whether you are a resident for tax purposes.

When you start work, your employer will ask you to complete a tax file number declaration. If you don't give your TFN to your employer within 28 days of starting your new job, your employer will have to pay 46.5% of the money you earn to us.



**Remember, you should only give your TFN to your employer after you start work for them. Never give your TFN when you fill out a job application or when you apply for work on the internet or over the phone.**

# Tax rates 2008–09

## Residents

The following tax rates apply to you if you are:

- a resident of Australia for tax purposes for the whole financial year (1 July 2008–30 June 2009), and
- entitled to the \$6,000 tax-free threshold.

These rates do not include the Medicare levy of 1.5%.

<b>Taxable income</b>	<b>Tax on this income</b>
\$0 – \$6,000	Nil
\$6,001 – \$34,000	15 cents for each \$1 over \$6,000
\$34,001 – \$80,000	\$4,200 plus 30 cents for each \$1 over \$34,000
\$80,001 – \$180,000	\$18,000 plus 40 cents for each \$1 over \$80,000
\$180,001 and over	\$58,000 plus 45 cents for each \$1 over \$180,000

## Non-residents

If you are a non-resident for the full year (1 July 2008–30 June 2009), the following rates apply:

<b>Taxable income</b>	<b>Tax on this income</b>
\$0 – \$34,000	29c for each \$1
\$34,001 – \$80,000	\$9,860 plus 30c for each \$1 over \$34,000
\$80,001 – \$180,000	\$23,660 plus 40c for each \$1 over \$80,000
\$180,001 and over	\$63,660 plus 45c for each \$1 over \$180,000

If you're a non-resident, you don't have to pay the Medicare levy.

 **Remember, if you are:**

- **an Australian resident for tax purposes you must declare all income you earned both in Australia and internationally**
- **a non-resident of Australia for tax purposes, you only have to declare the income you earned in Australia.**


## Lodging a tax return

You have from 1 July to 31 October to lodge your tax return. If you use a registered tax agent to prepare and lodge your tax return for you, you may be able to lodge later than 31 October. See your tax agent before 31 October to qualify for their lodgment dates.

If you pay too much tax, you can get a refund when you lodge your tax return. You can lodge:

- using e-tax – our free online lodgment service – at **[www.ato.gov.au/etax](http://www.ato.gov.au/etax)**
- by mailing a paper tax return
- by paying a registered tax agent to complete and lodge the return for you.


Using e-tax is safe, secure and refunds will usually be issued within 14 days.

 **To make sure the tax agent is registered:**

- **visit the Tax Agent's Board website at [www.tabd.gov.au](http://www.tabd.gov.au)**
- **phone the Tax Agents' Board on 1300 362 829, 9.00am to 5.00pm Monday to Friday.**

## Protecting your TFN

Your TFN is an important number that must only be used by you. Using another person's TFN, misusing yours or allowing someone else to use it is a crime that can result in heavy fines or jail.

-  **Report any loss, theft or misuse of your TFN to us immediately by phoning 13 28 61, 8.00am to 6.00pm Monday to Friday.**

## When your job ends


At the end of each Australian tax year (1 July–30 June) your employer must give you an annual payment summary that shows the total amount:

- you earned from that employer
- of tax your employer paid to us from your earnings.

Each employer must give you a copy of your payment summary by 14 July each year. Most employers send them by post. If you leave a job during the year, you can ask for your payment summary at the time you leave. If you are moving around, make sure you give your employer a postal address that they can send your payment summary to.

## Superannuation contributions

If you are paid \$A450 or more each month, your employer must pay an amount equal to 9% of your wage into a superannuation (pension) account for you. If you entered Australia as a temporary resident, in most cases you can access your contributions when you leave Australia, although the contributions will be taxed.

-  **To check if you're eligible to claim your superannuation and to apply for your payment, visit our website at [www.ato.gov.au/departaustralia](http://www.ato.gov.au/departaustralia)**

## More information

For more information about how tax applies to income you earn in Australia:

- visit our website at **www.ato.gov.au** and select Individuals – Youth home page – Tax return essentials
- phone us on **13 28 61** between 8.00am to 6.00pm, Monday to Friday.

If you do not speak English well and want to talk to a tax officer, phone the Translating and Interpreting Service on **13 14 50** for help with your call.

If you have a hearing or speech impairment and have access to appropriate TTY or modem equipment, phone **13 36 77**. If you do not have access to TTY or modem equipment, phone the Speech to Speech Relay Service on **1300 555 727**.

### Our commitment to you

We are committed to providing you with guidance you can rely on. If you feel that this publication does not fully cover your circumstances, or you are unsure how it applies to you, you can seek further assistance from us.

We regularly revise our publications to take account of any changes to the law, so make sure that you have the latest information. If you are unsure, you can check for a more recent version on our website at **www.ato.gov.au** or contact us.

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