

2020

# Tax Time Toolkit

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## Teachers and education professionals



**Australian Government**  
**Australian Taxation Office**

# Helpful occupation guides and information for tax time

We encourage you to share this information with your staff, clients, members and networks.

The following pages contain practical and tailored information to help teachers, education professionals and office staff understand what they can and can't claim in their tax return.

You'll find tips and guides as well as 'ready to use' messages you can adapt for your own communication channels.

## Occupation guides:

- [Teacher](#)
- [Office worker](#)

## Common claims:

- [Gifts and donations](#)
- [Self-education expenses](#)

## Ready-to-use messages:

- [Social media posts](#)
- [Article](#)

# If you're a teacher it pays to learn what you can claim at tax time



## To claim a deduction for work-related expenses

- you must have spent the money yourself and weren't reimbursed
- it must be directly related to earning your income
- you must have a record to prove it.\*

You can only claim the work-related part of expenses. You can't claim a deduction for any part of the expense that relates to personal use.

\* You can use the ATO app myDeductions tool to keep track of your expenses and receipts throughout the year.

## Car expenses



- ✓ **You can claim** a deduction when you:
  - drive between separate jobs on the same day – eg travelling from your job as a teacher to a second job as a musician
  - drive to and from an alternate workplace for the same employer on the same day – eg driving from your school to another school to moderate exam results.
- ✗ **You generally can't claim** the cost of trips between home and work, even if you live a long way from your usual workplace or have to work outside normal business hours – eg parent-teacher interviews.

There are limited circumstances where you can claim the cost of trips between home and work, such as where you carry bulky tools or equipment for work – eg a set of sporting equipment needed for a carnival. The cost of these trips is deductible only if:

- your employer requires you to transport the equipment for work
- the equipment was essential to earning your income
- there was no secure area to store the equipment at the work location, and
- the equipment is bulky – at least 20kg or cumbersome to transport.

If you claim car expenses, you need to keep a logbook to determine the work-related percentage, or be able to demonstrate to the ATO a reasonable calculation if you use the cents per kilometre method to claim.

## Clothing expenses



- ✓ **You can claim** a deduction for the cost of buying, hiring, mending or cleaning certain uniforms that are unique and distinctive to your job, or protective clothing that your employer requires you to wear.
- ✗ **You can't claim** a deduction for the cost of buying or cleaning plain clothing worn at work, even if your employer tells you to wear it, and even if you only wear it for work – eg sports clothing.

## Self-education expenses



- ✓ **You can claim** a deduction for self-education expenses if your course relates directly to your current job – eg a course in working with children with special needs.
- ✗ **You can't claim** a deduction if your study is only related in a general way or is designed to help you get a new job, eg you can't claim the cost of study to enable you to move from being a teacher's aid to being a teacher.

## Home office expenses



- ✓ **You can claim** a percentage of the running costs of your home office if you have to work from home, including depreciation of office equipment, work-related phone calls and internet access charges, and electricity for heating, cooling and lighting costs.  
If you are required to purchase equipment for your work and it costs more than \$300, you can claim a deduction for this cost spread over a number of years (depreciation).
- ✗ **You generally can't claim** the cost of rates, mortgage interest, rent and insurance.

## Other common deductible work-related expenses



- ✓ As long as the expense relates to your employment, **you can claim** a deduction for the work-related portion of the cost of:
  - phone and internet usage
  - excursions, school trips and camps
  - first aid courses
  - seminars and conferences
  - protective equipment such as sunglasses, sunhats and sunscreen
  - teaching aids
  - technical or professional publications
  - union and professional association fees.
- ✗ **You can't claim** a deduction for the cost of:
  - gifts you purchased for students
  - meeting students' personal expenses – for example, paying for lunch, excursions or school books.



This is a general summary only.  
For more information, go to [ato.gov.au/occupations](https://ato.gov.au/occupations)



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# If you're an office worker it pays to learn what you can claim at tax time



## To claim a deduction for work-related expenses

- you must have spent the money yourself and weren't reimbursed
- it must be directly related to earning your income
- you must have a record to prove it.\*

You can only claim the work-related part of expenses. You can't claim a deduction for any part of the expense that relates to personal use.

\* You can use the ATO app myDeductions tool to keep track of your expenses and receipts throughout the year.

## Car expenses



- ✓ **You can claim** a deduction when you:
  - drive between separate jobs on the same day – eg from your office job to a second job as a musician
  - drive to and from an alternate workplace for the same employer on the same day – eg travelling to a different office to attend a meeting for the same employer.

- ✗ **You generally can't claim** the cost of trips between home and work, even if you live a long way from your usual workplace or have to work outside normal business hours – eg having to work late to speak to a colleague in a different time zone.

There are limited circumstances where you can claim the cost of trips between home and work, such as where you carry bulky tools or equipment for work – eg large heavy filing boxes full of records you need for a particular meeting. The cost of these trips is deductible only if:

- your employer requires you to transport the equipment for work
- the equipment was essential to earning your income
- there was no secure area to store the equipment at the work location, and
- the equipment is bulky – at least 20kg or cumbersome to transport.

If you claim car expenses, you need to keep a logbook to determine the work-related percentage, or be able to demonstrate to the ATO a reasonable calculation if you use the cents per kilometre method to claim.

## Self-education expenses



- ✓ **You can claim** a deduction for self-education expenses if your course relates directly to your current job, eg human resource training for a manager.
- ✗ **You can't claim** a deduction if your study is only related in a general way or is designed to help get you a new job, eg a health and wellbeing course.

## Travel expenses



- ✓ **You can claim** a deduction for travel expenses if you are required to travel overnight and don't attend your usual work location – eg travelling to a remote office, provided the cost was incurred while carrying out your work duties. This could include meals, accommodation, fares and incidental expenses that you incurred and your employer has not provided or reimbursed you.
- ✗ Receiving a travel allowance from your employer does not automatically entitle you to a deduction. You still need to show that you were away overnight, you spent the money yourself, and the travel was directly related to earning your income.

## Home office expenses



- ✓ **You can claim** a percentage of the running costs of your home office if you have to work from home, including depreciation of office equipment, work-related phone calls and internet access charges, and electricity for heating, cooling and lighting costs. If you keep a diary of your home office usage, you can calculate your claim quickly using the home office expenses calculator.
- ✗ **You generally can't claim** the cost of rates, mortgage interest, rent and insurance.

## Clothing expenses



- ✓ **You can claim** a deduction for the cost of buying, hiring, mending or cleaning certain uniforms that are unique and distinctive to your job – eg clothing items you're required to wear which have a logo that is unique and distinctive to your employer – or protective clothing that your employer requires you to wear.
- ✗ **You can't claim** a deduction for the cost of buying or cleaning plain clothing worn at work, even if your employer tells you to wear it, and even if you only wear it for work, eg a business suit.

## Other common deductible work-related expenses



- ✓ As long as the expense relates to your employment, **you can claim** a deduction for the cost of seminars and conferences, technical or professional publications, union and professional association fees.



This is a general summary only. For more information, go to [ato.gov.au/occupations](https://ato.gov.au/occupations)



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# Gifts and donations

## When can I claim?

- ✔ You can claim a deduction for a donation you make to an organisation if the donation meets four conditions:
  - You make it to a deductible gift recipient (DGR)
  - It must truly be a donation. A donation is a voluntary transfer of money or property where you receive no material benefit or advantage\*
  - It must be money or property, which includes financial assets such as shares
  - You have a record of the donation such as a receipt.

\* If you receive a material benefit – that is if the donor receives something which has a monetary value from the DGR in return for their donation – it is considered a contribution, and extra conditions apply. Visit [ato.gov.au/gift-or-contribution](https://ato.gov.au/gift-or-contribution) for more information.



## What is a DGR?

A deductible gift recipient (DGR) is an organisation or fund that can receive tax deductible gifts.

Not all charities are DGRs. For example, in recent times there has been an influx of crowdfunding campaigns. Many of these crowdfunding websites are not run by DGRs.

You can check whether your donation was made to an endorsed DGR on the Australian Business Register website [abn.business.gov.au/DgrListing.aspx](https://abn.business.gov.au/DgrListing.aspx).



## What records do I need?

- ✔ You should keep records of all tax deductible gifts and contributions you make.

When you make a donation, the DGR will usually issue you with a receipt – but they don't have to. If this is the case, in some circumstances, you can still claim a tax deduction by using other records, such as bank statements.

If a DGR issues a receipt for a deductible gift, the receipt must state:

- the name of the fund, authority or institution to which the donation has been made
- the DGR's ABN (if any – some DGRs listed by name might not have an ABN)
- that the receipt is for a gift.

If you give through a workplace giving program your payment summary or a written record from your employer is sufficient evidence.

## Bucket donations

- ✔ 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. Further information is available on the **ATO website**.



## When you can and can't claim a deduction

- ✔ You may be able to claim a deduction when:
  - the gift or donation is \$2 or more and you have a record of the donation
  - you donate property or shares, however special rules apply (see [ato.gov.au/gifts-and-fundraising-rules](https://ato.gov.au/gifts-and-fundraising-rules))
  - there are special circumstances under the Heritage and Cultural gift programs where donations can also be deductible (see [ato.gov.au/cultural-gifts](https://ato.gov.au/cultural-gifts) for more detail).

Token items used to promote a DGR can be claimed as a deduction, such as label pins, wristbands and stickers.

- ✘ You can't claim gifts or donations as a deduction when it is for:
  - the purchase of raffle or art union tickets, such as an RSL Art Union prize home
  - the purchase of fundraising items that have an advertised price and can be used, such as chocolates, mugs, keyrings, caps or toys
  - the cost of attending fundraising dinners, even if the cost exceeds the value of the dinner
  - payments to school building funds made, for example, as an alternative to an increase in school fees
  - gifts to families and friends regardless of the reason
  - donations made under a salary sacrifice arrangement
  - donations made under a will.

## Gifts and donations to political parties and independent candidates and members

In some circumstances, your gifts and donations to registered political parties and independent candidates may be claimed as a deduction.

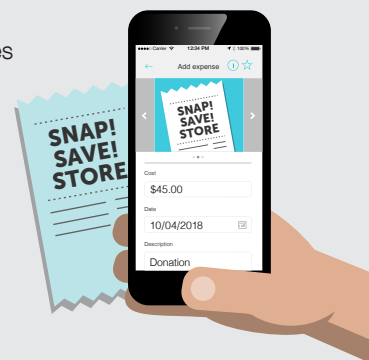
Your gift or donation must be \$2 or more and be money or property that you purchased during the 12 months before making the donation. This includes if you pay a membership subscription to a registered political party. You must also make the gift or donation as an individual, not in the course of carrying on a business, and it can't be a testamentary donation.

The most you can claim in an income year is:

- \$1,500 for contributions and gifts to political parties, and
- \$1,500 for contributions and gifts to independent candidates and members.

To claim a deduction you must keep a written record of your donation.

To find out who is registered, go to [ato.gov.au/political-gifts](https://ato.gov.au/political-gifts).





# Self-education expenses

## It pays to learn what you can claim at tax time

### When can you claim?

Self-education expenses are deductible when the course you undertake has a sufficient connection:

- ✔ to your current employment and maintains or improves the specific skills or knowledge you require in your current employment, or
- ✔ results in – or is likely to result in – an increase in your income from your current employment.

### When can't you claim?

You cannot claim a deduction for self-education for a course that:

- ✘ relates only in a general way to your current employment or profession, or
- ✘ will enable you to get new employment – such as moving from employment as a nurse to employment as a doctor.



### Course expenses

If your self-education is eligible, you may be able to claim a deduction for your expenses directly related to undertaking the course.

#### General expenses

Some general expenses you may be able to claim include:

- ✔ tuition fees, if paid directly by you
- ✔ computer consumables (eg printer cartridges)
- ✔ textbooks
- ✔ trade, professional or academic journals
- ✔ stationery
- ✔ home office running costs
- ✔ internet usage (excluding connection fees)
- ✔ phone calls
- ✔ postage
- ✔ student services and amenities fees
- ✔ travel costs, including car expenses, between home and the place of education and between your workplace and the place of education
- ✔ fees payable on some Higher Education Loan Program (HELP) loans, but not the loan itself.

You can only claim a deduction for the portion of these expenses that is directly related to your eligible self-education.

#### Depreciating assets

You may be able to claim a deduction for depreciating assets – assets that lose value over time such as computers and printers – that you have bought and use to study.

Depreciating assets that cost more than \$300 are usually claimed over the life of the asset (decline in value). However, if you have a depreciating asset that cost \$300 or less – you can get a deduction for the full cost of the asset to the extent that you used it for study in the tax year you bought it. (see *Apportioning expenses*).

#### Car expenses

If you are undertaking a course that has a direct connection to your current employment, you can also claim the cost of daily travel from your:

- ✔ home to your place of education and back
- ✔ work to your place of education and back.



However, you cannot claim the cost of the last stage of your travel from:

- ✘ home to your place of education, and then to work
- ✘ work to your place of education, and then to your home.

You **cannot** claim the following expenses related to your self-education:

- ✘ tuition fees paid by someone else, including your employer, or for which you were reimbursed
- ✘ repayments of loans you obtained under the Higher Education Loan Program (HELP) loans, Student Financial Supplement Scheme (SFSS), the Student Startup Loan (SSL) or the Trade Support Loans Program (TSL)
- ✘ home office occupancy expenses – such as rent, mortgage interest, rates
- ✘ accommodation and meals – except if you travel away from home for a short period for study, such as to attend residential school.

## Apportioning expenses

Some expenses need to be apportioned between private purposes and use for self-education. Travel costs and depreciating assets are good examples of expenses that may need to be apportioned.

### Use of equipment

If you use equipment such as computers and printers both privately and for study, you must apportion the expense based on the percentage you use the equipment for study.

For example, if a computer is used 50% of the time for study and 50% for private purposes, you can only claim half of the cost of the computer as a deduction. (For more information on asset expenses, see the *Depreciating assets* section on the previous page).

## Recording your expenses

Use our self-education expense calculator ([ato.gov.au/selfeducationcalc](http://ato.gov.au/selfeducationcalc)) to get an estimate of your self-education deductions. It also provides information on your claim eligibility.

Records you need to keep may include receipts or other documents showing expenses such as:

- ✓ course fees
- ✓ textbooks
- ✓ stationery
- ✓ decline in value of, and repairs to, depreciating assets.

You must also keep receipts, documents or diary entries for travel expenses.

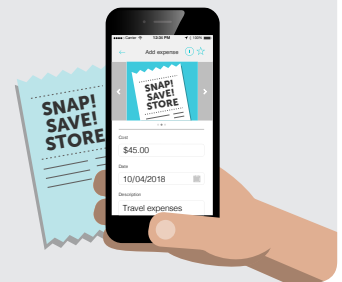
The ATO app's myDeductions tool ([ato.gov.au/myDeductions](http://ato.gov.au/myDeductions)) can be used to record your self-education expenses.



## Calculating your expenses

In certain circumstances, you may have to reduce your self-education expenses by up to \$250 to work out your deduction.

The Self-education expenses calculator ([ato.gov.au/selfeducationcalc](http://ato.gov.au/selfeducationcalc)) on the ATO website works this out for you.





# Ready-to-use Tax Time messages

Below are a range of messages you can use (or adapt) for your own communication channels, such as websites, intranets, newsletters and social media platforms.

## Suggested social media posts for Facebook, Twitter and LinkedIn profiles

Bus duty complete. Reports complete. Term two complete. Tax return... not quite complete? Calling all teachers! If you're planning to lodge your tax return over the school holidays, feel free to copy the ATO's homework. Take a look at the ATO's top tips on what teachers can and can't claim in their deductions guide at [ato.gov.au/teacher20](https://ato.gov.au/teacher20)

Calling all teachers! 📚🍎👤📖📝 Learn what you can (and can't) claim this tax time.

- 👍 You can claim deductions for the work-related portion of excursion and camp costs, as well as first aid courses and protective gear (e.g. sunglasses, sunhats).
- 👎 You can't claim the cost of gifts you buy for your students or any time you pay for their personal expenses (e.g. their lunch, excursion fees or school books).
- 👍 You can claim self-education expenses if the course relates directly to your current job.
- 👎 You can't claim a deduction if your study is only related in a general way to your job, or is designed to help you get a new one.
- 👍 You can claim a deduction when you drive between alternate workplaces for the same employer on the same day (e.g. from your school to another school to supervise an exam).

Want to learn more? Take a look at the ATO's top tips on what teachers can and can't claim at [ato.gov.au/teacher20](https://ato.gov.au/teacher20)

# Get an A+ on your tax claims

**Tax time is just around the corner so make sure you are given top marks by the ATO, by getting your tax claims right.**

Home work (aka working from home) may give teachers and education professionals some tax deductions but not everything you might expect. There may be legitimate costs incurred as a direct result of working from home but there are also costs which are considered private expenses. It is important to know the difference as people who lodge false work-related expenses are in the ATO's sight.

## **Do your homework when working from home and follow these tips:**

- 👍 When calculating your home office expenses, you can use a fixed rate of 52c per hour or calculate your actual expenses. If you use the fixed rate, you'll need a diary that documents your pattern of home office use for a minimum of four weeks in the financial year – showing the actual hours you spent working at home.
- 👍 If you're calculating the actual cost – running expenses like electricity, cooling, heating and lighting are deductible – how good is that? But only the additional amount of running expenses are deductible and your deduction will vary depending on whether you have a dedicated work area or not. Remember, you can't claim these expenses if other family members are home and you're in the same room together, as there's no additional cost for you. Check [ato.gov.au/home](https://ato.gov.au/home) for all the details.
- 👎 You can't claim occupancy expenses for your home like rent, mortgage repayments, property insurance, rates and land taxes.
- 👍 Keep diary records noting the times you work from home for at least a four-week period.
- 👍 If you use your personal phone and internet for work, you will need to apportion your private and work use, with records showing a detailed usage pattern.

Be aware the ATO sometimes contacts employers to verify expenses. This is to ensure the sorts of expenses outlined above are not covered by employers – or that the member of staff has not been reimbursed for the expenses incurred when working from home.

## **Let's look at an example of how you can get that A+ from the ATO:**

- Fay is a high-school maths teacher working at XYZ High with classes on Monday–Wednesday. Fay has an agreement with her employer to work from home each Thursday to prepare classes and mark assessments.
- Fay generally works from 9.30am to 5.30pm each Thursday, in her home office, with a one-hour break. Fay keeps a diary showing the number of hours she works from home.
- Fay decides she will use the fixed rate and therefore doesn't need to keep receipts of all her office expenses. Fay calculates she works 28 hours from home in one month.
- Fay multiplies the hours by the number of months she works (taking into account her annual and school holidays leave).
- Fay worked 9 months of the year so she calculates her deduction as  $52c \times 28 \text{ hours per month} = \$14.52 \times 9 \text{ months of the year} = \$131.04$ .

For more information, read the excellent ATO guide on what teachers and education professionals can claim.

Check out [ato.gov.au/teacher20](https://ato.gov.au/teacher20) for more information