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

<table>
<thead>
<tr>
<th>Gross payments</th>
<th>CDEP payments</th>
<th>Reportable fringe benefits amount FBT year 1 April to 31 March</th>
<th>Reportable employer superannuation contributions</th>
<th>Total allowances</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1</td>
<td></td>
<td>$3</td>
<td>$4</td>
<td>$5</td>
</tr>
</tbody>
</table>

Total tax withheld $2

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

Completing your tax return

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

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.


**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](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](http://ato.gov.au)

**Need help? Call us on**

1300 823 011