

2021

Tax Time Toolkit

Government workers



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 government employees understand what they can and can't claim in their tax return.

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

Occupation guides:

- [Australian Defence Force](#)
- [Public servant](#)

Common claims:

- [Self-education expenses](#)
- [Working from home during COVID 19](#)
- [Gifts and donations](#)

Ready-to-use messages:

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

If you work for the Australian Defence Force 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
 - drive to and from an alternate workplace for the same employer on the same day – eg if you are required to travel from your normal Army base to another military base to attend a fitness assessment.
- ✗ **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 a military exercise held over the weekend.

In limited circumstances **you can claim** the cost of trips between home and work, where you were required to carry bulky tools or equipment for work and all of the following conditions were met:

- The tools or equipment were essential for you to perform your employment duties and you didn't carry them merely as a matter of choice.
- The tools or equipment were bulky – meaning that because of their size and weight they were awkward to transport and could only be transported conveniently by the use of a motor vehicle.
- There was no secure storage for the items at the workplace.

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.

Fitness expenses



- ✓ **You can only claim** the cost of fitness expenses if your job requires you to maintain a fitness well above the ADF general standard, eg if you are a physical training instructor with the Australian Special Forces.
- ✗ **You can't claim** a deduction for the cost of gym fees to maintain your personal fitness.

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).

If you keep a diary of your home office usage, you can calculate your claim quickly using the ATO's home office expenses calculator.

- ✗ **You generally can't claim** the cost of rates, mortgage interest, rent and insurance.

Self-education expenses



- ✓ **You can claim** a deduction for self-education expenses if your course relates directly to your current job or to the next likely promotion as planned by the ADF.
- ✗ **You can't claim** a deduction if your study or seminar is only related in a general way or is designed to help you get a new job, eg to enable you to move to a job outside of the ADF.

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:
 - technical or professional publications
 - compulsory mess subscriptions
 - union and professional association fees.
- ✗ **You can't claim** a deduction for the cost of:
 - attending social functions, even though these may be compulsory
 - haircuts, grooming, weight loss programs or supplies, even though the ADF has specific regulations.



If you're a Public servant 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 public service 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.

In limited circumstances **you can claim** the cost of trips between home and work, where you were required to carry bulky tools or equipment for work and all of the following conditions were met:

- The tools or equipment were essential for you to perform your employment duties and you didn't carry them merely as a matter of choice.
- The tools or equipment were bulky – meaning that because of their size and weight they were awkward to transport and could only be transported conveniently by the use of a motor vehicle.
- There was no secure storage for the items at the workplace.

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.

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.
- ✗ **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.

Self-education expenses

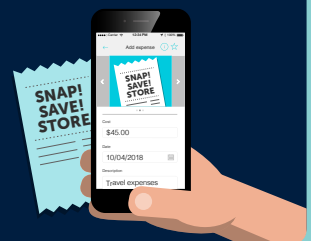


- ✓ **You can claim** a deduction for self-education expenses if your course relates directly to your current job, eg human resource training for a manager.
- ✗ **You can't claim** a deduction if your study is only related in a general way or is designed to help get you a new job, eg a health and wellbeing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

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:
 - seminars and conferences
 - technical or professional publications
 - union and professional association fee



This is a general summary only.
For more information, go to ato.gov.au/occupations



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Self-education expenses

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 directly relate** to earning your income
- ✔ **You must have** a record to prove it*.

* Use the [myDeductions](#) tool in the **ATO app** to keep a record of your expenses throughout the year.



When can you claim?

- ✔ Self-education and study expenses are deductible when the course you undertake has a sufficient connection to your current work activities and:
 - maintains or improves the specific skills or knowledge you require in your current work activities, or
 - results in – or is likely to result in – an increase in your income from your current work activities.

When can't you claim?

- ✘ **You can't claim** a deduction for self-education for a course that:
 - relates only in a general way to your current employment or profession
 - enables 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:
 - course and tuition fees, if paid directly by you
 - computer consumables (for example, 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 assets that lose value over time (depreciating assets) 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 sufficient connection to your current employment, you can 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 can't claim** the cost of the last leg 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 can't 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 Higher Education Loan Program (HELP) loans, Student Financial Supplement Scheme (SFSS), the Student Start-up Loan (SSL), VET Student Loan or the Trade Support Loans Program (TSL)
 - home office occupancy expenses – for example, 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 privately and for study, you must apportion the expense based on the percentage you use the equipment for self-education.

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



Recording your expenses

Use our [self-education expense calculator](#) 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 your self-education and study 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.

Use the [myDeductions](#) tool in the ATO app to record your self-education expenses throughout the year.



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](#) works this out for you.

This is a general summary only

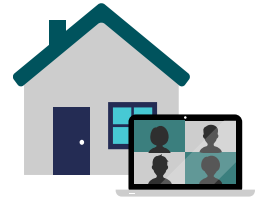
For more information, go to ato.gov.au/selfeducation or speak to a registered tax professional.



Australian Government
Australian Taxation Office

Working from home during COVID-19

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 directly relate** to earning your income

✔ **You must have** a record to prove it*.

* Use the [myDeductions](#) tool in the **ATO app** to keep a record of your expenses throughout the year.



We understand that due to COVID-19 your working arrangements may have changed. If you have been working from home you may have expenses you can claim as a deduction this tax time.

Tracking these expenses can be challenging, so we have introduced a temporary shortcut method. It's a simplified way to work out your deduction with minimal record keeping requirements.

The shortcut method initially applied from 1 March to 30 June 2020, but **can now be applied until 30 June 2021**.

✔ **You can use** the shortcut method to calculate your working from home expenses for the period from:

- 1 March 2020 to 30 June 2020 in your 2019–20 tax return
- 1 July 2020 to 30 June 2021 in your 2020–21 tax return.

To claim a deduction for working from home, all of the following must apply:

- you must have spent the money
- the expense must be directly related to earning your income
- you must have a record to prove it.

✘ This means **you can't claim** a deduction for items provided by your employer or if you have been reimbursed for the expense.

If you receive an allowance from your employer to cover your expenses when you work from home, you:

- must include this allowance as income in your tax return
- can claim a deduction.

In most cases, if you are working from home as an employee, there will be no capital gains tax (CGT) implications for your home.

Expenses you can claim

If you work from home, you can claim a deduction for the additional expenses you incur.

These include:

- electricity and/or gas expenses associated with heating, cooling and lighting the area from which you are working and running items you are using for work
- cleaning costs for a dedicated work area
- phone and internet expenses
- computer consumables and stationery (for example, printer paper and ink)
- home office equipment, including computers, printers, phones, furniture and furnishings – you can claim either the
 - full cost of items up to \$300
 - decline in value for items over \$300.

Expenses you can't claim

✘ If you are working from home, **you can't claim:**

- the cost of coffee, tea, milk and other general household items your employer may otherwise have provided for you at work
- costs related to children and their education, including setting them up for online learning, teaching them at home or buying equipment such as iPads and desks
- time spent not working, such as time spent home schooling your children or your lunch breaks.
- ✘ Employees **generally can't claim** occupancy expenses, such as rent, mortgage interest, water and rates.



Calculating your expenses

There are three ways you can choose to work out your deduction for working from home.

These are the:

- **shortcut method** – if you work from home you can use this method to claim a rate of 80 cents per work hour from between
 - 1 March 2020 to 30 June 2020 in your 2019–20 tax return
 - 1 July 2020 to 30 June 2021 in your 2020–21 tax return.

- **fixed rate method** – if you have a dedicated work area (like a home office), you can use this method to claim
 - a rate of 52 cents per work hour for electricity and/or gas for heating, cooling, lighting and running items used for work, cleaning expenses and the decline in value of office furniture
 - the work-related portion of your phone and internet expenses, computer consumables, stationery
 - the work-related portion of the decline in value of equipment (such as mobile phone, computer, laptop or similar device)

- **actual cost method** – claim the actual work-related portion of all your running expenses, which you need to calculate on a reasonable basis.

You can use the method or methods that will give you the best outcome. You must meet the criteria and record keeping requirements for each method. For information and examples on how to work out your deduction prior to 1 March 2020 or to use the fixed rate or actual cost methods, see [Home office expenses](#).

Shortcut method

Tracking your working from home expenses can be challenging, so we introduced a temporary shortcut method in response to COVID-19. It's a simple way to work out your deduction with minimal record keeping requirements.

Using the shortcut method, you can claim a deduction of 80 cents for each hour you work from home as long as you:

- work from home to fulfil your employment duties
- are not just carrying out minimal tasks such as occasionally checking emails or taking calls,
- incur additional running expenses as a result of working from home.

The shortcut method doesn't require you to have a dedicated work area and the rate of 80 cents per work hour covers all your additional running expenses, including:

- electricity for lighting, cooling or heating and running electronic items used for work (for example your computer)
- gas heating expenses
- the decline in value and repair of capital items, such as home office furniture and furnishings
- cleaning expenses
- phone costs, including the decline in value of the handset
- internet costs
- computer consumables, such as printer ink
- stationery
- the decline in value of a computer, laptop or similar device.

You don't have to incur all of these expenses, but you must have incurred additional expenses in some of those categories as a result of working from home.

If you use the shortcut method to calculate your deduction, you can't claim any other expenses for working from home for that period. For example, if you purchased a desk to use when working from home, you cannot claim a deduction for that separately, it is covered by the 80 cents per work hour rate.

You can work out your working from home deduction for the shortcut method, using this formula:

- Total number of hours worked from home between 1 March and 30 June 2020 x 80 cents
- Total number of hours worked from home between 1 July 2020 and 30 June 2021 for the 2020–21 income year x 80 cents.

If you use the shortcut method to claim a deduction, include the amount at the 'other work-related expenses' question in your tax return and include 'COVID-hourly rate' as the description. Remember, if you use the shortcut method to claim your deduction, you can't claim an additional deduction for any of the expenses covered by the shortcut rate.



Records you must keep

If you use the shortcut method, you must keep a record of the hours you worked at home. This could be a timesheet, roster, diary or similar document that shows the hours you worked.

If you use the other methods, you must also keep a record of the number of hours you worked from home along with records of your expenses.

This is a general summary only

For more information, go to [Home office expenses](#) or speak to a registered tax professional.



Gifts and donations

It pays to learn what you can claim at tax time



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.

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 one exists – 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 income statement 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.

? 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 so donations to them can't be claimed.

You can check whether your donation was made to an endorsed DGR on the [Australian Business Register](#) website.

? When I can and can't claim a deduction

You may be able to claim gifts or donations as 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
- there are special circumstances under the [Heritage](#) and [Cultural gift](#) programs where donations can also be deductible
- you receive a token item for your donation. Token items are things of no purpose that are used to promote a DGR, such as lapel pins, wristbands and stickers.

✘ **You can't claim** gifts or donations as a deduction when they provide you with a personal benefit, such as:

- 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

- club membership
 - the cost of attending fundraising dinners, even if the cost exceeds the value of the dinner
 - payments to school building funds made in return for a benefit or advantage, for example, as an alternative to an increase in school fees or as a placement on a waiting list
 - gifts to families and friends regardless of the reason
 - donations made under a salary sacrifice arrangement
 - donations made under a will.
- ✘ **You can't claim** a tax deduction for donations made to social media, crowdfunding platforms or memberships (such as sporting club memberships) unless they are a registered DGR.

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
- \$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: [Claiming political contributions and gifts](#)

This is a general summary only

For more information, go to ato.gov.au/gifts-and-donations or speak to a registered tax professional.

Ready-to-use Tax Time messages

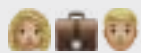
Below are a range of messages you can use (or adapt) for your own communication channels, such as websites, intranets, newsletters and social media platforms.

Suggested social media posts for Facebook, Twitter and LinkedIn profiles

Tax tip: If you work from home, you may be able to claim a portion of your home office expenses on your tax return! This could include deductions for:

- office equipment
- work-related phone calls
- internet access charges
- lighting, heating and cooling
- furniture repairs
- cleaning

Check what records you need and how to calculate your claim at ato.gov.au/officeworkers21



Attention public servants: Check out the ATO's latest summary for a quick guide to what you can and can't claim. Visit ato.gov.au/officeworkers21

Public servants! Get on top of your tax return this year. Visit ato.gov.au/officeworkers21 for information on what you can and can't claim.

Did you know the ATO has occupation specific guides that make it simple for you to understand what you can and can't claim at tax time? Visit ato.gov.au/occupation21

Working in an office? Make sure you understand what work related deductions you can claim this tax time. Check out the ATO's occupation specific guides at ato.gov.au/officeworkers21 and remember the three golden rules for claiming a deduction:

- ✔ you must have spent the money yourself and weren't reimbursed
- ✔ it must directly relate to earning your income
- ✔ you must have a record to prove it.

Re-adjusting to the office lifestyle after working from home this year? Make sure you know what deductions you can claim with the ATO's handy work-related expenses guides. Visit ato.gov.au/officeworkers21

Whether you're working from an office or your dining table, the ATO's tailored office workers guide can make tax time easy. Check it out at ato.gov.au/officeworkers21

Work in the public service? While we can't help you with that co-worker who keeps microwaving fish, we can help you figure out the deductions you can claim this tax time! Check out the ATO's latest summary of what you can and can't claim at tax time. Visit ato.gov.au/officeworkers21

Getting it right this Tax Time

The ATO will be focusing on work-related expenses this tax time to help taxpayers get their returns right. When you want to find out what public servants can and can't claim at tax time, it's best to hear it from the source itself - the Australian Taxation Office.

There are three golden rules for claiming a work-related deduction:

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

Before lodging your tax return, it's important to know what you're eligible to claim and make sure you don't claim more than you're entitled to.

Exceptions to the record keeping rules are there to make things simpler - they do not allow you to claim an automatic deduction. For example, some taxpayers think they can make a standard claim of \$300 without having spent the money. While you don't need receipts for claims up to \$300, you must have spent the money yourself, and be able to show how you worked out your deduction if asked.

Other common mistakes include claiming self-education expenses when the study doesn't have a direct connection to current employment and private use of phone or internet expenses. Remember – you can only claim for the work-related portion!

Getting prepared for next year

If you spend time trying to find your receipts, or if these receipts are now faded and unreadable, the ATO app's **myDeduction tool** will help you get prepared for next tax time. myDeductions makes it easier and more convenient to keep your expense records in one place.

You can record expenses and deductions, vehicle trips and take photos of your invoices and receipts. Come tax time you can email your data to your tax agent or upload your data to prefill your tax return. Simply:

- download the **ATO app** to your smart device
- select the myDeductions icon
- step through and choose whether you'd like to use the tool as an individual (generally or as an employee), as a sole trader (business) or both.