

# ATO UPDATES



## 1) FOCUS ON WORK-RELATED EXPENSES

The ATO issued a release warning taxpayers not to "copy and paste" previous year's claims into this year's tax returns. Setting its sights on work-related expenses like car and travel claims, the ATO said around 8.5 million Australians claimed nearly \$19.4 billion in work-related expenses in their 2020 tax returns. Due to COVID-19, the ATO expects to see work-related expenses to fall while WFH claims go up.

The ATO will be using its data analytics to lookout for unusually high work-related claims this tax time. In particular those that are much higher than others with a similar job and income. The ATO will also look closely at anyone with significant working from home expenses, that maintains or increases their claims for things like car, travel or clothing expenses.



**centrelink**

## 2) JOBKEEPER PAYMENTS

You will need to declare JobKeeper payment amounts you received as either an employee or sole trader in your return.

## 3) JOBSEEKER PAYMENTS

From 20 March 2020, the new JobSeeker payment replaced certain Centrelink payments you might have received from Services Australia.

From 20 March 2020 there were no new grants of Sickness Allowance.

On 20 September 2020 JobSeeker welfare payment replaced Sickness Allowance.

As a result of this change, your Centrelink payment summary for 2020–21 may detail two types of payments, for both Sickness Allowance and new JobSeeker payments. We will pre-fill this information into "Australian Government allowances and payments" in your tax return when Services Australia reports it to us. This information is usually available by the end of the first week in July each year.

A Medicare levy exemption for Sickness Allowance recipients is only allowed from 1 July 2020 to 19 September 2020.

JobSeeker payment is not an eligible payment for claiming a Medicare levy exemption.



## 4) SUPER GUARANTEE RATE RISING 1 JULY 2021

The superannuation guarantee rate will increase from 9.5 per cent to 10 per cent on 1 July 2021.

Employers will need to ensure their payroll and accounting systems are updated to incorporate the increase to the super rate. The ATO's super guarantee contributions calculator is available for employers to work out how much super they need to pay.

To determine if employees are eligible for super, including any contractors treated as employees for super purposes, employers can use the ATO's superannuation guarantee eligibility decision tool.



## 5) DATA MATCHING: PROPERTY MANAGEMENT AND RENTAL BOND DATA

The ATO has registered two data-matching notices to acquire property management data including property owner identification details and property manager details for the 2019-2023 financial years covering 1.6 million individuals each year, and; rental bond data including landlord and managing agent identification details and rental bond transaction details from 20 Sept 1985 to 30 June 2023 covering 350,000 individuals each year.

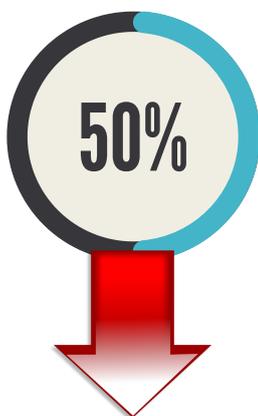
This information will be used by the ATO to inform education programs as well as to undertake compliance activities such as undeclared income and capital gains.



## 6) EARLY RELEASE OF SUPERANNUATION DUE TO COVID-19

The COVID-19 early release of super program closed on 31 December 2020.

If you accessed your super early under the COVID-19 early release of super program you do not need to include the amount released in your tax return. Amounts released under other compassionate grounds must be included in your tax return.



## 7) REDUCING SUPERANNUATION MINIMUM DRAWDOWN RATES

To assist retirees with account-based pensions and similar products, the minimum superannuation drawdown rates were reduced by 50% for the 2019–20 and 2020–21 income years.

For those who have paid more than the minimum drawdown amount, their member can only recontribute these amounts if they are eligible to make super contributions, subject to other rules or limits such as contributions caps.

The reduction is optional and there is no maximum amount other than the balance of your super account, unless it is a transition to retirement pension which is not in the retirement phase. In this case, the annual maximum amount is 10% of the account balance.



## 8) CHANGES TO PAYMENT SUMMARIES

You may not receive a payment summary from your employer this year. Most employers now report their employees' income, tax and super information directly to us each payday. This information is made available to your tax agent via the tax agent portal.



## 9) DISASTER RELIEF - AMOUNTS YOU DO AND DO NOT NEED TO INCLUDE IN YOUR TAX RETURN

There have been a range of new assistance and support payments made available to individuals in response to the natural disasters and other circumstances that have impacted us during the 2019–20 and 2020–21 income years.

If you receive a Disaster Recovery Payment (DRP), it will be treated as exempt income. You don't pay tax on the DRP amount, but you need to include it in your tax return when you work out your tax loss.

Disaster Recovery Allowance (DRA) and Natural Disaster Relief and Recovery Arrangements (NDRRA) payments are generally taxable. However, the government may declare that, for some natural disasters, DRA and NDRRA payments are exempt income. You don't pay tax on exempt income but you need to include the amount in your tax return when you work out your tax loss.

Emergency assistance in the form of gifts from family and friends is not taxable.

### OTHER ATO UPDATES:

For further information on the above ATO updates, as well as information regarding the following additional topics, please visit [www.ato.gov.au/individuals/Your-tax-return?what-s-new-for-individuals/](http://www.ato.gov.au/individuals/Your-tax-return?what-s-new-for-individuals/)

- Exempting granny flat arrangements from capital gains tax
- Genuine redundancy and early retirement scheme payment changes
- Tax incentives for investment in affordable housing

## UPDATED TAX RATES

### RESIDENT TAX RATES 2020-21

#### TAXABLE INCOME

\$0 - \$18,200  
\$18,201 - \$45,000  
\$45,001 - \$120,000  
\$120,001 - \$180,000  
\$180,001 and over

#### TAX ON THIS INCOME

NIL  
19 cents for each \$1 over \$18,200  
\$5,092 plus 32.5 cents for each \$1 over \$45,000  
\$29,467 plus 37 cents for each \$1 over \$120,000  
\$51,667 plus 45 cents for each \$1 over \$180,000

### FOREIGN RESIDENT TAX RATES 2020-21

#### TAXABLE INCOME

\$0 - \$120,000  
\$120,001 - \$180,000  
\$180,001 and over

#### TAX ON THIS INCOME

32.5 cents for each \$1  
\$39,000 plus 37 cents for each \$1 over \$120,000  
\$61,200 plus 45 cents for each \$1 over \$180,000