

# LODGING A TAX RETURN

## A GUIDE FOR PACIFIC WORKERS IN AUSTRALIA

All **Pacific Labour Scheme** workers need to lodge a tax return to identify outstanding tax payments or refunds owed to them, for every financial year they work in Australia.

A financial year is a period of twelve months from 1 July to 30 June. It is used by government, businesses and other organisations to calculate their budgets, profits, and losses.

There is no guarantee that workers will receive an official request to complete a tax return - but this does not mean that a tax return is not required.

This factsheet explains why and how to complete a tax return and aims to support workers to independently meet their tax obligations.



### WHAT IS A TAX RETURN?

**Tax:** Income paid to the government. Governments use tax revenue to pay for public goods and services we use every day, including health and community services, national defence and public education as well as infrastructure like roads and railways. These contribute to the wellbeing of everyone that resides in Australia.

**Tax return:** If you have had tax taken from any income you received during the financial year (for example, if you have worked any time between July 2019 to June 2020), you need to lodge a tax return.



### HOW DOES IT WORK?

If you work, you will usually pay income tax on that money. Income tax paid throughout the year as you earn income.

Your employer will deduct tax from each pay and send it to the Australian Tax Office (ATO) on your behalf. This is known as Pay As You Go (PAYG) withholding. This is done so you don't have a big tax bill at the end of the year. You can see the amount of tax taken out by your employer on your pay slip.

When the financial year ends, the ATO have calculated against the total PAYG withholding amount your employer has taken out of your pay throughout the year. This will determine whether you get a tax refund or need to pay a tax bill.



### WILL I RECEIVE A TAX RETURN?

There are no guarantees you will receive a tax return from the ATO. Everybody's circumstances are different, some people will get a tax return, some people will receive a bill to pay money to the ATO. Do not expect to receive a tax return.



### WHERE TO LODGE A TAX RETURN

#### Lodge with an accountant or a tax agent - fee involved

Tax agents or professionals will charge a fee of around \$100 to \$200 to complete and lodge the tax return on your behalf. Make sure you ask for the price and that you are happy with it before you proceed with the tax return.

#### Lodge directly with the Australian Tax Office (ATO) - free

You can do this online through your MyGov account. It is free but you must complete it all by yourself.



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### HOW LONG DOES IT TAKE TO PROCESS MY TAX RETURN?

There is no set timeframe for how long it will take the ATO to process your tax return. Sometimes, it can take months for the ATO to process your tax return. No one can make this process quicker, you just have to wait.

### WHAT DO I NEED TO LODGE A TAX RETURN?

**Payment summary:** A payment summary is a statement from your employer outlining the full amount of your wages and the amount of tax paid during the financial year. Your employer will provide this to you or you can find it on your MyGov account.

**Receipts of purchases for work necessities:** This includes items such as work clothes, travel receipts and personal protective equipment.

### WHEN TO LODGE A TAX RETURN

Lodge your tax return between 1 July and 31 October. If you lodge your tax return late, you may receive a fine.

### MEDICARE LEVY

If you have earned over \$22,398 you need to complete a Medicare Entitlement Statement so you do not have to pay the Medicare Levy. You can find the Medicare Entitlement Statement form at [www.servicessaustralia.gov.au/individuals/forms/ms015](http://www.servicessaustralia.gov.au/individuals/forms/ms015).

You will have to wait until you receive your Medicare Entitlement Statement in the mail before you can complete your tax return.

### FOR MORE INFORMATION

#### Link to Australian Tax Office

[www.ato.gov.au/Individuals/Lodging-your-tax-return/Lodging-your-first-tax-return/](http://www.ato.gov.au/Individuals/Lodging-your-tax-return/Lodging-your-first-tax-return/)

#### How to create a MyGov account

[www.ato.gov.au/business/single-touch-payroll/single-touch-payroll-for-employees/setting-up-your-mygov-account/](http://www.ato.gov.au/business/single-touch-payroll/single-touch-payroll-for-employees/setting-up-your-mygov-account/)

## STEPS TO LODGING A TAX RETURN

### STEP 1

Ensure you have your payment summary and/or receipts.

### STEP 2

If **lodging yourself online**, please go to the MyGov website and follow instructions.

If **lodging through a third party** (accountant or tax agent).

- Find an accountant or tax agent in your area - it is best to ask colleagues or your employer for recommendations
- You will book an appointment or go to the office. You will need to provide them with your payment summary and/or receipts.
- Make sure you understand that you may have to pay a fee upfront. Some have the option of the tax agent taking the fee out of your tax refund.

### STEP 3

The ATO or your tax agent will let you know whether you owe money, or you receive a tax refund. Note: if you are owing money, you will need to contact ATO to organise payments.

### DO YOU STILL HAVE QUESTIONS?

If you need more information:



- talk to other workers or your team leader
- talk to your employer
- talk to someone in your community e.g. at your church or sporting club
- call the Pacific Labour Facility 24-hour hotline: 1800 51 51 31