
Am I prepared for the end of the financial year?

We've put together a series of tips to ensure you're ready to make the most of tax time.

With June 30 fast approaching, getting ready for the end of the financial year might seem daunting - especially given the upheaval that's happened over the past few months due to COVID-19.

We understand this is a stressful time, which is why we've prepared some helpful suggestions to help you get on track. Read through the below, and if you have any further queries, please don't hesitate to contact us.

CONSIDER TOPPING UP YOUR SUPER

Superannuation is a highly tax-effective savings vehicle for many people compared to investing personally. If you have spare savings you can contribute before June 30, it's worth considering contributing up to the concessional contributions cap (\$25,000 this year and next). Generally, making extra concessional contributions is tax effective if you earn more than \$37,000 per year.

Note that concessional contributions include contributions made by an employer (including under a salary sacrifice agreement) and personal contributions counted as a tax deduction. If you contribute over the cap, you may have to pay extra tax.

You can also make contributions to your super from your after-tax pay. These are called non-concessional contributions. You can make up to \$100,000 in non-concessional contributions each financial year. You can find out more information about this topic [here](#).

<https://moneysmart.gov.au/grow-your-super/super-contributions>

BE READY TO COMPLETE YOUR 2020 TAX RETURN

Let's look at the basics

In order to be ready to complete your tax return (whether you do it yourself using MyGov ATO online services or you have a tax agent complete your tax return for you), it's a good idea to tick off everything you need and have it ready.

In terms of basic information, that's likely to be:

- Your bank account details

- Your Tax File Number (TFN)
- Your myGov details (if applicable)
- Your Medicare number if you're reporting medical expenses
- Details on any dependents

INCOME

After that, you'll need to work out your earnings and deductions. For income, consider:

- Employment PAYG summaries, if applicable.
 - Many employers report directly to the ATO, and no longer issue a payment summary.
- Any foreign income
- Super pensions, annuities and government payments
- Business, partnership and/or trust income
- Details on your spouse's income, if applicable
- Details on lump-sum payments you may have received
- Interest from bank accounts
- Managed funds earnings
- Income from property or other investments
- Dividends received and invested, including capital gains
- Income from property or other investments
- Other income sourced from the sharing economy or Crowdfunding

For all the types of income that must be declared, and also what amounts do not need to be included as income **[Click here](#)**

<https://www.ato.gov.au/Individuals/Income-and-deductions/Income-you-must-declare/>

DEDUCTIONS

With your income calculated, you can move onto any deductions you might have. These could be:

- Private health insurance premium rebate details if you qualify.
 - Since 1 July 2019, its optional for providers to send members an annual insurance health statement. These details are generally available via the ATO by the end of July.
- Medical expenses
- Work-related expenses including uniforms, laundry and dry-cleaning
- Vehicle and transport expenses.
- Home office expenses
- Gifts and donations (where receipts from Charities are held)
- Information about income protection insurance
- Equipment and tools, or other assets
- Tax agent costs
- Self-education expenses
- Personal deduction for Superannuation contributions
- First home super saver payment summaries

- For details on other deductions you can claim, check out the details on the ATO website [Click here](#)

<https://www.ato.gov.au/Individuals/Income-and-deductions/Deductions-you-can-claim/>

Note: Remember a medicare levy will be applicable. It may be reduced if your taxable income is below a certain threshold. In some cases, you may not have to pay a levy at all, e.g. low-income earners, seniors and pensioners. Even if you are above the threshold, you may still qualify for a reduction based on your family taxable income. For more information, Click on [ato.gov.au/individuals/medicare-levy](https://www.ato.gov.au/individuals/medicare-levy)

DO YOU OWN AN INVESTMENT PROPERTY?

If you're a property investor, it's essential to put together all information relevant to your property (or properties) over the past financial year. Many expenses associated with investing in property (including water and council rates, gas bills and so on) can be claimed as deductions. Further, if you're considering any renovations, now is the time to do it, as you may also be able to claim those as deductions, but consider obtaining professional tax and financial planning advice before going ahead.

Find out more [Click here](#).

<https://www.ato.gov.au/General/ATO-advice-and-guidance/In-detail/Private-rulings/Supporting-documents/Deductions/Rental-property-deductions/>

WORKING FROM HOME DUE TO COVID-19

Given that many people have been forced to work from home due to the COVID-19 pandemic, the ATO has made arrangements for people claiming work expenses. You can now claim a rate of 80c per hour for all running expenses; this will be available from March 1 to June 30.

The kinds of working-from-home expenses you can claim include electricity, cleaning costs for a dedicated work area, phone and internet, certain computer accessories (such as printer ink used for work) and home office equipment.

Find out more [Click here](#)

<https://www.ato.gov.au/Individuals/Income-and-deductions/Deductions-you-can-claim/Home-office-expenses/>

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