



Income questions 1-12

How to complete income questions 1 to 12 in your paper tax return.

1 Salary or wages 2023



Complete question 1 to declare income from salary or wages from which tax was withheld.

2 Allowances, earnings, tips, directors fees etc 2023



Complete question 2 to declare payments of income from working, including allowances, payments for services and fees.

3 Employer lump sum payments 2023



Complete question 3 to declare lump sum payments received from an employer for unused annual or long service leave.

4 Employment termination payments 2023



Complete question 4 to declare employment termination payments you received due to the termination of your employment.

5 Australian Government allowances and payments 2023



Complete question 5 to declare allowances and payments received from the Australian Government.

6 Australian Government pensions and allowances 2023



Complete question 6 to declare pensions and allowances received from the Australian Government.

7 Australian annuities and superannuation income streams 2023



Complete question 7 to declare income you received from Australian annuities and superannuation income streams.

8 Australian superannuation lump sum payments 2023



Complete question 8 to declare Australian superannuation lump sum payments or death benefit payments you received.

9 Attributed personal services income 2023



Complete question 9 to declare personal services income attributed to you.

Total tax withheld 2023



Complete the total tax withheld section in your tax return.

10 Gross interest 2023



Complete question 10 to declare interest paid or credited to you from any source in Australia.

11 Dividends 2023



Complete question 11 to declare dividends and distributions paid or credited by Australian companies you had shares in.

12 Employee share schemes 2023



Complete question 12 to declare discounts on employee share scheme interests (ESS interests) you received under an ESS.

Income in the supplementary tax return 2023



Instructions for completing income questions in the supplementary section of the tax return.

Total income or loss 2023



Complete the total income or loss section of your tax return.

QC 80619

1 Salary or wages 2023

Complete question 1 to declare income from salary or wages from which tax was withheld.

Last updated 25 May 2023

On this page

[Things you need to know](#)

[What you need to answer this question](#)

[Completing your tax return](#)

[Where to go next](#)

Things you need to know

Declare at this question income from salary or wages from which tax was withheld. Income from salary or wages includes:

- salary and wages
- commissions
- bonuses
- income from part-time or casual work
- parental leave pay
- dad-and-partner pay
- amounts shown on an income statement or payment summary for lost salary or wages paid under
 - an income protection policy
 - a sickness or accident insurance policy
 - a workers compensation scheme
- amounts shown on an income statement or payment summary for special payments resulting from COVID-19 (such as a stand-down payment or COVID-19 payment, but not an eligible termination payment)
- foreign employment. If you are an Australian Government agency employee (and not a member of a disciplined force), include here income earned from delivering **Australian Official development assistance**.

If your income statement or *PAYG payment summary – individual non-business* shows any allowances, include them at question 2 Allowances, earnings, tips, directors fees etc.

Did you earn income from salary or wages shown on an income statement, PAYG payment summary – individual non-business or PAYG payment summary – foreign employment?

No	Go to question 2 Allowances, earnings, tips, directors fees etc 2023, or return to main menu Individual tax return instructions 2023.
Yes	Read on.

What you need to answer this question

You will need your income statement, *PAYG payment summary – individual non-business*, *PAYG payment summary – foreign employment*, or a comparable statement such as a letter or signed statement, from each employer or payer, showing the following details:

- gross income (shown as 'Gross payments' on your income statement or payment summary)
- payment type indicator (if you are a **working holiday maker**)
- total tax withheld
- foreign tax paid, if applicable, and
- the employer's or payer's Australian business number (ABN) or withholding payer number (WPN).

If you can't find or think there is an issue with your income statement, payment summaries or comparable statements, contact your employer or payer. If you are unsuccessful, see **Income statement not finalised or missing payment summary**.

If you can't access your income statement through myGov, **contact us**.

Make sure you **keep all your records** for 5 years from the date you lodge your tax return. A shorter record-keeping period may apply in some situations.

Completing your tax return

To complete this question, follow the steps 1 to 3 below.

For the purposes of this question, 'payment summary' includes comparable statements. Do not combine amounts from different payment summaries unless instructed at [step 3](#).

Step 1

Print the occupation from which you earned most of your income from salary or wages under **Your main salary and wage occupation** at question 1.

Be as specific as possible when you describe how you earned your salary and wages, for example, 'insurance clerk' rather than 'clerk', 'facilities manager' rather than 'manager', 'bar attendant' rather than 'student'. For public servants, provide work type, for example, 'call centre operator'.

Step 2

If you have more than 5 income statements and payment summaries, go to [step 3](#). Otherwise, read on.

For each income statement and payment summary, write at question 1:

- the payer's ABN or withholding payer number
- the 'Total Australian tax withheld' amounts under **Tax withheld**
- the gross payment amounts under **Income**.

If your income statement or payment summary includes **Gross payment type H**, print **H** in the payment type box. **Gross payment type H** applies to income you earned as a working holiday maker while on a 417, 462 or 408 visa. A 408 visa is a Covid-19 Pandemic event visa granted to you to allow you to remain in Australia following the expiry of your 417 or 462 working holiday maker visa. If this applies to you, you must complete question **A4 Working holiday maker net income 2023**.

You have finished this question, see [Where to go next](#).

Step 3

Gross payment type H, referred to below, applies to income you earned as a working holiday maker while on a 417, 462 or 408 visa.

From your income statement and *PAYG payment summary – individual non-business* (with no **Gross payment type H**):

- add up the total tax withheld, write the total under **Tax withheld** at the left of label **C**
- add up the gross payment amounts, write the total under **Income** at label **C**
- write the ABN if you have only one income statement or payment summary of this type
- leave the ABN blank if you have more than one income statement or payment summary of this type.

From your income statement and *PAYG payment summary – individual non-business* with **Gross payment type H**:

- add up the total tax withheld, write the total under **Tax withheld** at the left of label **D**
- add up the gross payment amounts, write the total under **Income** at label **D**
- write **H** in the payment **type** box
- write the ABN if you have only one income statement or payment summary of this type
- leave the ABN blank if you have more than one income statement or payment summary of this type
- complete question **A4**.

From your income statement and *PAYG payment summary – foreign employment*:

- add up the total tax withheld, write the total under **Tax withheld** at the left of label **E**
- add up the gross payment amounts, write the total under **Income** at label **E**
- write the ABN if you have only one income statement or payment summary of this type

- leave the ABN blank if you have more than one income statement or payment summary of this type.

Where to go next

- Go to question 2 Allowances, earnings, tips, directors fees etc 2023.
- Return to main menu Individual tax return instructions 2023.

QC 71980

2 Allowances, earnings, tips, directors fees etc 2023

Complete question 2 to declare payments of income from working, including allowances, payments for services and fees.

Last updated 25 May 2023

On this page

[Things you need to know](#)

[What you need to answer this question](#)

[Completing your tax return](#)

[Where to go next](#)

Things you need to know

Declare at this question payments of income from working, these include:

- [allowances](#)
- payments from which tax was not withheld, including

- salary, wages, commissions, bonuses
 - income earned from part-time and casual jobs
 - income from income protection, sickness, and accident insurance policies
- tips, gratuities, and payments for your services
 - consultation fees
 - payments for voluntary services (honoraria).

Types of allowances

Allowance amounts you may receive from working include:

- car, travel and transport allowances, and reimbursements of car expenses (calculated by reference to the distance travelled by the car, such as 'cents-per-kilometre' allowances)
- award transport payments (paid under an industrial law or award that was in force on 29 October 1986)
- tool, clothing, and laundry allowances
- dirt, height, site, first aid and risk allowances
- meal and entertainment allowances.

When not to include an allowance

If you received a travel or an overtime meal allowance paid under an industrial law, award or agreement, do not show it in your tax return, if:

- you spent the whole amount on deductible expenses
- it was not shown on your income statement or payment summary
- it does not exceed the Commissioner's reasonable allowance amount.

You cannot claim deductions for expenses that you paid for with these allowances.

For more information on the reasonable travel and overtime meal allowance expense amounts, see *TD 2022/10 Income tax: what are the*

reasonable travel and overtime meal allowance expense amounts for the 2022–23 income year?

Did you receive any of the above payments?

No	Go to question 3 Employer lump sum payments 2023, or return to main menu Individual tax return instructions 2023.
Yes	Read below.

What you need to answer this question

You will need:

- your income statements, payment summaries or comparable statements
- details of payments that you received that are not shown on an income statement, payment summary or comparable statement.

If you can't find or think there is an issue with your statement, payment summaries or comparable statements, contact your employer or payer. If you are unsuccessful, see **Income statement not finalised or missing payment summary**.

If you can't access your income statement through myGov, **contact us**.

Completing your tax return

To complete this question, follow the steps below.

Step 1

Add up any tax withheld from these payments. Do not include any amount of tax withheld that you have shown at other questions, such as question **1**.

Write the amount under **Tax withheld** at the left of question **2** – label **K**.

Step 2

Add up all of these payments. Do not include any amount of income that you have shown at other questions, such as question **1**.

Write the amount under **Income** at question **2** – label **K**.

Where to go next

- Go to question 3 Employer lump sum payments 2023.
- Return to main menu Individual tax return instructions 2023.
- Go back to question 1 Salary or wages 2023.

QC 71981

3 Employer lump sum payments 2023

Complete question 3 to declare lump sum payments received from an employer for unused annual or long service leave.

Last updated 25 May 2023

On this page

[Things you need to know](#)

[What you need to answer this question](#)

[Completing your tax return](#)

[Where to go next](#)

Things you need to know

Declare at this question lump sum payments you received from your employer for unused annual leave or unused long service leave.

Do not include in your tax return payments for early retirement or genuine redundancy shown at 'Lump sum D' on your income statements or *PAYG payment summary – individual non-business*. You do not pay tax on these payments.

Do not include at this question, any:

- employer lump sum payments in arrears or non-superannuation annuity payments in arrears shown at 'Lump sum E' on your income statements or payment summaries – declare these amounts in the supplementary tax return at question **24 Other income 2023**.
- lump sum payments in arrears shown on your *PAYG payment summary – superannuation income stream* – declare these amounts at question **7 Australian annuities and superannuation income streams 2023**.

Did you receive any of these payments?

No	Go to question 4 Employment termination payments 2023, or return to main menu Individual tax return instructions 2023.
Yes	Read on.

What you need to answer this question

You will need your income statement or *PAYG payment summary – individual non-business*, *PAYG payment summary – foreign employment* or a comparable statement from your payer showing an amount at 'Lump sum A' or 'Lump sum B' where relevant.

If you have an amount at 'Lump sum A' that foreign tax has been paid, you will also need to complete the supplementary tax return question **20** – label **U**.

If you can't find or think there is an issue with your income statement, payment summaries or comparable statements, contact your employer or payer. If you are unsuccessful, see **Income statement not finalised or missing payment summary**.

If you can't access your income statement through myGov then **contact us**.

Completing your tax return

To complete this question, follow the steps below.

If you do not have amounts shown at 'Lump sum A' on your income statements or payment summaries, go to [step 4](#).

Amounts shown at Lump sum A

Step 1

Add up the total tax withheld from lump sum A amounts shown on your income statements and payment summaries. Do not include any amounts of tax withheld you have included at any other question, such as question **1** or **2**.

Write the answer under **Tax withheld** at the left of question **3** – label **R**.

Step 2

Add up all lump sum A amounts on your income statements and payment summaries.

Write the answer at question **3** – label **R**.

Step 3

Print in the **Type** box at the right of label **R**:

R	if the amount related to one of the following: <ul style="list-style-type: none">• a genuine redundancy payment• an early retirement scheme payment• the invalidity segment of an employment termination payment or superannuation benefit
T	for all other situations

Check with your payer if you are not sure.

If you do not have amounts shown at 'Lump sum B' on your income statements or payment summaries, you have finished this question. Go to question 4 Employment termination payments 2023.

Amounts shown at Lump sum B

Step 4

Add up the total tax withheld from lump sum B amounts shown on your income statements and payment summaries. Do not include amounts of tax withheld you have included at step 1 above or at any other question, such as question **1** or **2**.

Write the answer under **Tax withheld** at the left of question **3** – label **H**.

Step 5

Add up all lump sum B amounts on your income statements and payment summaries.

Divide the total by 20. This is because only 5% is taxable.

Write the answer at question **3** – label **H**.

Where to go next

- Go to question 4 Employment termination payments 2023.
- Return to main menu Individual tax return instructions 2023.
- Go back to question 2 Allowances, earnings, tips, directors fees etc 2023.

QC 71982

4 Employment termination payments 2023

Complete question 4 to declare employment termination payments you received due to the termination of your employment.

Last updated 25 May 2023

On this page

[Things you need to know](#)

[What you need to answer this question](#)

[Completing your tax return](#)

[Where to go next](#)

Things you need to know

Declare at this question employment termination payments (ETPs) you received because your employment was terminated.

If you have been stood-down or have lost your job as a result of COVID-19, you may have received an ETP. For more information on payments you may receive in these circumstances, see [Tax on employment payments](#).

Types of ETPs

ETPs include:

- a gratuity or golden handshake
- genuine redundancy or early retirement scheme payments above the tax-free limit
- severance pay
- non-genuine redundancy payments
- payments in lieu of notice of termination
- unused rostered days off (RDOs)
- unused sick leave
- compensation for loss of job
- compensation for wrongful dismissal, provided it is paid within 12 months of the actual termination of employment
- payments for loss of future super payments
- payments arising from an employee's termination because of ill health (**invalidity**), other than compensation for personal injury
- lump sum payments paid on the death of an employee.

Other types of ETPs include:

- death benefit ETPs, these are certain payments made as a consequence of the cessation of a person's employment that you received due to that person's death
- foreign ETPs, these are certain ETPs received from overseas employment which **were exempt** from income tax under that country's law
- late termination payments, these are certain ETPs you received more than 12 months after you retired or ceased employment.

When not to include an ETP

Do not show the following payments anywhere in your tax return:

- foreign termination payments, these are certain termination payments that **were not exempt** from income tax of the foreign country
- ETPs you received as the trustee of a deceased estate (ETP code **T**), these payments must be shown on the trust tax return of the deceased estate
- departing Australia superannuation payments.

If you receive an ETP, the components of the termination payment may be taxed differently.

Did you receive an ETP?

No	Go to question 5 Australian Government allowances and payments 2023, or return to main menu Individual tax return instructions 2023.
Yes	Read on.

What you need to answer this question

You will need your income statement or *PAYG payment summary – employment termination payment*.

If you can't find or think there is an issue with your income statement or payment summaries, contact your employer or payer. If you are

unsuccessful, see **Income statement not finalised or missing payment summary**.

If you can't access your income statement through myGov, **contact us**.

If you have received a foreign ETP, your foreign employer may not have issued you with a *PAYG payment summary – employment termination payment*.

Completing your tax return

To complete this question, follow the steps 1 to 4 below.

If you received 2 or more ETPs, you will need to complete an ETP schedule. Go to [step 5](#).

Step 1

Write the date of payment and your payer's Australian business number (ABN), as shown on your income statement or *PAYG payment summary – employment termination payment* in the left column at question **4**.

Step 2

Write the total amount of tax withheld from your ETP, as shown on your income statement or *PAYG payment summary – employment termination payment*, under **Tax withheld** at the left of question **4** – label **I**.

Step 3

Write the taxable component of your ETP, as shown on your income statement or *PAYG payment summary – employment termination payment*, at question **4** – label **I**.

Step 4

Write the ETP code, as shown on your income statement or *PAYG payment summary – employment termination payment*, in the **CODE** box at the right of question **4** – label **I** in your tax return.

You must enter a valid code. You should contact the employer or payer if your income statement or *PAYG payment summary – employment termination payment* does not have an ETP code. If you are unable to

contact the employer or payer, read through all the codes below and select the one that best describes your payment.

ETP code descriptions

ETP Code	Description
R	if you received your ETP because of: <ul style="list-style-type: none">• early retirement scheme• genuine redundancy• invalidity• compensation for<ul style="list-style-type: none">– personal injury– unfair dismissal– harassment– discrimination
O	if your ETP is not described by R , for example, you received it because of: <ul style="list-style-type: none">• a golden handshake• gratuity• payment in lieu of notice• payment for unused sick leave• payment for unused rostered days off
S	if you received a code R ETP in 2022–23 and you had received another ETP (code R or code O), or a transitional termination payment, in an earlier income year for the same termination of employment
P	if you received a code O ETP in 2022–23 and you had received another ETP (code R or code O), or a transitional termination payment, in an earlier income year for the same termination of employment

D	if you received a death benefit ETP in 2022–23 and you were a death benefits dependant
B	if you received a death benefit ETP in 2022–23 and you were not a death benefits dependant, and you had received another death benefit ETP in an earlier income year for the same termination of employment
N	if you received a death benefit ETP and you were not a death benefits dependant, and code B does not apply

You have now finished this question. Go to [Where to go next](#).

Step 5

As you received 2 or more ETPs, you need to download and complete an **Employment termination payment schedule** using the information on your income statements or payment summaries.

Step 6

When you have completed the schedule, add together:

- all the amounts of tax withheld
- all the taxable component amounts.

Transfer the 2 totals to question **4** in your tax return.

Write the total tax withheld under **Tax withheld** at label **I**.

Write the total taxable component at label **I**.

Print the code letter **M** in the **Code** box.

Do not write any date of payment or payer's ABN in your tax return.

Step 7

Attach your schedule to page 3 of your tax return.

Print **X** in the **Yes** box at **Taxpayer's declaration** question **2** on page 10.

Where to go next

- Go to question 5 Australian Government allowances and payments 2023.
- Return to main menu Individual tax return instructions 2023.
- Go back to question 3 Employer lump sum payments 2023.

QC 72245

5 Australian Government allowances and payments 2023

Complete question 5 to declare allowances and payments received from the Australian Government.

Last updated 25 May 2023

On this page

[Things you need to know](#)

[What you need to answer this question](#)

[Completing your tax return](#)

[Where to go next](#)

Things you need to know

Declare at this question the following Australian Government payments:

- JobSeeker payment
- youth allowance
- Austudy payment
- parenting payment (partnered)
- special benefit

- farm household allowance
- an education payment of any of the following when you were 16 years old or older
 - ABSTUDY living allowance
 - payment under the Veterans' Children Education Scheme
 - payment under the *Military Rehabilitation and Compensation Act Education and Training Scheme 2004*, shown as 'MRCA Education Allowance' on your *PAYG payment summary – individual non-business*
- other taxable Commonwealth education or training payments shown on your payment summary
- youth disability supplement as a component of
 - youth allowance
 - ABSTUDY living allowance
- an income support component from a Community Development Employment Project (CDEP) shown as 'Community Development Employment Projects (CDEP) payments' on your *PAYG payment summary – individual non-business*
- a CDEP scheme participant supplement
- disaster recovery allowance
- disaster income support allowance for special category visa (subclass 444) holders.

Do not include any Australian Government allowances and payments that are not taxable. For a list of the most common types of exempt Australian Government allowances and payments, see **Amounts that you do not pay tax on 2023**.

You may need to include amounts that are not taxable at question **IT3 Tax-free government pensions or benefits 2023**.

Do not include at this question any parental leave payments or dad-and-partner payments – declare these at question **1 Salary or wages 2023**.

Include in the supplementary tax return at question **24 Other income 2023** the balance of the amount for emergency and general assistance payments shown on your Centrelink PAYG payment summary.

Beneficiary tax offset

You may be entitled to a tax offset on this income.

Tax offsets reduce the amount of tax you have to pay.

If you received one or more of the payments listed above, you may be entitled to a beneficiary tax offset. You do not have to work out your tax offset. We work it out for you from the answers you give at this question. If you want to work out your beneficiary tax offset, you can use the **Beneficiary tax offset and seniors and pensioners tax offset calculator**.

If you are eligible for both the seniors and pensioners tax offset and the beneficiary tax offset, you are entitled to receive only one of these offsets. We will work out which one gives you the highest tax offset.

Did you receive any of the payments listed above?

No	Go to question 6 Australian Government pensions and allowances 2023, or return to main menu Individual tax return instructions 2023.
Yes	Read below.

What you need to answer this question

You will need:

- your *PAYG payment summary – individual non-business*, or
- a letter from the agency that paid your allowance or payment stating the amount you received.

If you can't find or have not received this information, contact the agency that paid you.

Completing your tax return

To complete this question, follow the steps below.

Step 1

Add up the tax withheld shown on each of your payment summaries and letters.

Write the total under **Tax withheld** at the left of question **5** – label **A**.

Step 2

Add up the income shown on each of your payment summaries and letters.

Write the total at question **5** – label **A**.

Where to go next

- Go to question 6 Australian Government pensions and allowances 2023.
- Return to main menu Individual tax return instructions 2023.
- Go back to question 4 Employment termination payments 2023.

QC 71983

6 Australian Government pensions and allowances 2023

Complete question 6 to declare pensions and allowances received from the Australian Government.

Last updated 25 May 2023

On this page

[Things you need to know](#)

[What you need to answer this question](#)

[Completing your tax return](#)

Things you need to know

Declare at this question the following Australian Government payments:

- age pension
- carer payment
- disability support pension, if you have reached age-pension age
- education entry payment
- parenting payment (single)
- age service pension
- income support supplement
- Defence Force income support allowance (DFISA) where the pension, payment or allowance to which it relates is taxable
- DFISA-like payment from the Department of Veterans' Affairs (DVA)
- Veteran payment
- invalidity service pension, if you have reached age-pension age
- partner service pension.

Do not include any Australian Government pensions or allowances that are not taxable. For a list of the most common types of exempt Australian Government pensions, allowances and payments, see **Amounts that you do not pay tax on 2023**.

You may need to include the amounts that are not taxable at question **IT3 Tax-free government pensions or benefits 2023**.

You may be entitled to a tax offset on this income. Work through question **T1 Seniors and pensioners tax offset 2023** to see if you are entitled to a tax offset.

Did you receive any of the payments listed above?

No	Go to question 7 Australian annuities and superannuation income streams 2023, or return to main menu Individual
----	---

	tax return instructions 2023.
Yes	Read below.

What you need to answer this question

You will need:

- your *PAYG payment summary – individual non-business*, or
- a letter from the agency that paid your pension, allowance or payment stating the amount that you received.

If you can't find or have not received this information, contact the agency that paid you.

Completing your tax return

To complete this question, follow the steps below.

Step 1

Add up the tax withheld shown on each of your payment summaries and letters.

Write the total under **Tax withheld** at the left of question **6** – label **B**.

Step 2

Add up the income shown on each of your payment summaries and letters.

Write the total at question **6** – label **B**.

Where to go next

- Go to question 7 Australian annuities and superannuation income streams 2023.
- Return to main menu Individual tax return instructions 2023.
- Go back to question 5 Australian Government allowances and payments 2023.

7 Australian annuities and superannuation income streams 2023

Complete question 7 to declare income you received from Australian annuities and superannuation income streams.

Last updated 25 May 2023

On this page

[Things you need to know](#)

[What you need to answer this question](#)

[Completing your tax return](#)

[Where to go next](#)

Things you need to know

Declare at this question income you received from Australian **annuities** and **superannuation income streams**.

Australian **annuities** (also called non-superannuation annuities) are paid to you by Australian life insurance companies and friendly societies. You can find these payment amounts on your *PAYG payment summary – individual non-business*.

Australian **superannuation income streams** (including lump sum in arrears amounts) are paid to you by Australian superannuation funds, retirement savings account (RSA) providers and or life insurance companies. You can find these payment amounts on your *PAYG payment summary – superannuation income stream* and may include:

- account based income streams
- capped defined benefit income streams that are

- lifetime pensions, regardless of when they started
- lifetime annuities that existed prior to 1 July 2017
- life expectancy pensions and annuities that existed prior to 1 July 2017
- market-linked pensions and annuities that existed prior to 1 July 2017.

If you received a taxable Australian **superannuation lump sum payment**, do not include it here – declare it at question 8 Australian superannuation lump sum payments 2023.

You may also be eligible for the following offsets:

- seniors and pensioners tax offset, see question T1 Seniors and pensioners tax offset 2023
- superannuation income stream tax offset, see question T2 Australian superannuation income stream 2023.

Did you receive Australian annuities or superannuation income streams?

No	Go to question 8 Australian superannuation lump sum payments 2023, or return to the main menu Individual tax return instructions 2023.
Yes	Use the Defined benefit income cap tool to answer this question or read on.

What you need to answer this question

For Australian annuities, you need all your *PAYG payment summary – individual non-business* that show the amount of your annuity and its undeducted purchase price (UPP)

For Australian superannuation income streams, you need all your *PAYG payment summary – superannuation income streams*.

Answering the parts within this question

This question is divided into 4 parts. You may not need to complete all 4 parts. The amount to be included in your income tax return is dependent on the type of superannuation income stream you receive.

The parts that you complete are based on the superannuation income stream you received. Where you received multiple superannuation income streams, you may complete some or all of the parts; and add together amounts from different parts, before writing the total in your tax return.

Find out when to complete:

- [Parts A and B](#)
- [Parts A and C](#)
- [Parts A and D](#)

Parts A and B

There are 2 reasons you will need to complete parts A and B:

- [Reason 1](#)
- [Reason 2](#)

Reason 1

If you received:

- a superannuation income stream (including death benefit income streams) – for example an account-based pension and not a capped defined benefit income stream that is covered below
- an Australian annuity.

Do not show the following tax-free amounts (unless instructed otherwise) where you are receiving a superannuation income stream (including death benefit income streams) and:

- you received a taxed element after your 60th birthday
- you received a taxed element paid to you as the result of the death of another person who was 60 years old or older, or
- you received a tax-free component.

Reason 2

If all of the following apply:

- you received a capped defined benefit income stream (including you having a death benefit income stream where the deceased was under 60 years old)
- you were under 60 years old on 30 June 2023.

Parts A and C

Complete parts A and C if all of the following apply:

- you received a capped defined benefit income stream
- you were 60 years old or older on 1 July 2022
- you received your income stream for all of 2022–23.

Parts A and D

Complete parts A and D if you received a capped defined benefit income stream, and any of the following apply:

- you turned 60 years old during 2022–23
- you were 60 years old or older on 1 July 2022 and you started an income stream for the first time during 2022–23
- you were under 60 years old on 30 June 2023 and have a death benefit income stream where the deceased was 60 years old or older.

This will be indicated on your payment summary as **Death benefit (Reversionary income stream)**.

Additional requirements

You may be entitled to a tax offset if you received a superannuation income stream lump sum in arrears. If so, you need to provide additional information.

On a separate sheet of paper:

- print **Schedule of additional information – question 7**
- print your name, address and tax file number
- write the amount of the payment in arrears for each income year involved.

For example, if you received \$900 in 2022–23 as a lump sum in arrears, where \$600 of that lump sum is due for 2020–21 and \$300

for 2021–22, write 2020–21 \$600 and 2021–22 \$300. If you do not have that information, contact the payer of your superannuation income stream.

Attach your schedule of additional information to page 3 of your tax return.

Print **X** in the **Yes** box at **Taxpayer's declaration** question **2** on page 10 of your tax return.

You may also be eligible for an additional tax offset if:

- you were 60 years old or older when you received a superannuation income stream payment with an untaxed element (the untaxed element is shown on your *PAYG payment summary – superannuation income stream*), and
- your superannuation income stream was not a capped defined benefit income stream (contact your fund if you don't know).

To claim that additional tax offset, you need to provide the following additional information:

On a separate sheet of paper:

- print **Schedule of additional information – question 7**
- print your name, address and tax file number
- write the superannuation income stream provider name and the untaxed element amount.

Attach your schedule of additional information to page 3 of your tax return.

Print **X** in the **Yes** box at **Taxpayer's declaration** question **2** on page 10 of your tax return.

Completing your tax return

To complete this question, follow the steps below:

Part A

Add up the tax withheld amounts on your payment summaries.

Write the total under **Tax withheld** at the left column of question **7**.

Part B

Step 1

Add up the taxed element amounts that appear on all your *PAYG payment summary – superannuation income stream* under the heading *Taxable component*.

Write the total at question **7** – label **J**.

Step 2

Work out the amount for label **N** using the worksheet.

Write the amount from row **c** of the worksheet at question **7** – label **N**.

Worksheet 1

Row	Calculation	Amount
a	Add the total of your untaxed elements.	\$
b	Write 0 if you did not receive any Australian annuities or if you did receive Australian annuities, take the deductible amount of the annuity's UPP away from the gross amount shown on the payment summary. Write 0 if the result is negative.	\$
c	Add row a and row b .	\$

Step 3

Add up the taxed element amounts that appear on all your *PAYG payment summary – superannuation income stream* under the heading *Lump sum in arrears – taxable component*.

Write the total at question **7** – label **Y**.

Step 4

Add up the untaxed element amounts that appear on all your *PAYG payment summary – superannuation income stream* under the heading

Lump sum in arrears – taxable component.

Write the total at question **7** – label **Z**.

Part C

Your defined benefit income cap is \$106,250 for 2022–23.

Use the Defined benefit income cap tool to help you calculate your assessable income from a capped defined benefit income stream.

Defined benefit income cap tool

Do not show amounts at:

- question **7** – label **J** (taxed element)
- question **7** – label **Y** (lump sum in arrears taxed element).

We will take these amounts into consideration when calculating your assessable amount from a capped defined benefit income stream.

Step 1

Work out the amount for label **M** using the worksheet.

Write the amount from row **d** at question **7** – label **M**.

Worksheet 2

Row	Calculation	Amount
a	Add the tax-free component plus the taxed element from all your income streams. These amounts are to include lump sum in arrears.	\$
b	Your defined benefit income cap	\$106,250
c	Subtract row b amount from row a amount. If the result is less than or equal to \$1, write 0 at row c and row d .	\$
d	Divide row c by 2.	\$

The amount at row **d** is your **assessable amount from your capped defined benefit income stream**.

Step 2

Add up the untaxed elements that appear on all your *PAYG payment summary – superannuation income stream* under the heading *Taxable component*.

Write the total at question **7** – label **N**.

Step 3

Add up the untaxed elements that appear on all your *PAYG payment summary – superannuation income stream* under the heading *Lump sum in arrears – taxable component*.

Write the total at question **7** – label **Z**.

Part D – Reduction of your defined benefit income cap

Your defined benefit income cap of \$106,250 for 2022–23 may be reduced.

Use worksheets 3A and 3B, and worksheet 4 if required, to work out the amount of assessable income to be included at question **7** – label **M**, based on your defined benefit income cap.

If you:

- were 60 years old or older on 1 July 2022 **and** you started a capped defined benefit income stream for the first time during 2022–23 – complete row **a** in worksheet 3A.
- turned 60 years old during 2022–23 **and** you received a capped defined benefit income stream during 2022–23 – complete row **b** in worksheet 3A.
- were under 60 years old at any time during 2022–23, **and** you had a 'reversionary income stream' (a term we use for a capped defined benefit income stream which is a death benefit income stream where the deceased died aged 60 years old or older) – complete row **c** in worksheet 3A.

Step 1

Work out the amount for label **M** using the worksheets 3A and 3B.

Write the amount from row **i** at question **7** – label **M**.

Worksheet 3A

Row	Calculation	Days
a	Work out the number of days in 2022–23 from when you first started to receive a superannuation income stream to 30 June 2023. (If you have more than one of these superannuation income streams, work out the number of days using the income stream you started first.)	days
b	Work out the number of days in 2022–23 from the later of: <ul style="list-style-type: none">• your 60th birthday, or• when you first started to receive a capped defined benefit income stream to 30 June 2023.	days
c	Work out the number of days in 2022–23 from when you first started to receive a reversionary income stream to 30 June 2023. (If you have more than one of these superannuation income streams, work out the number of days using the income stream you started first.)	days
d	From rows a , b and c work out which has the greatest number of days and write at row d .	days

Worksheet 3B

Row	Calculation	Amount
e	Divide the number of days you calculated at row d in worksheet 3A by 365 and	days

	multiply by 100.	
f	<p>Multiply row e by \$1,000. Round up to the nearest dollar.</p> <p>This is your reduced defined benefit income cap.</p> <p>If you completed row c in worksheet 3A and you also have a capped defined benefit income stream that is not a reversionary income stream. See worksheet 4 at step 3 (don't complete the rest of worksheet 3B).</p> <p>Otherwise, read on.</p>	\$
g	Add the tax-free component plus the taxed element from all your capped defined benefit income streams. These amounts are to include lump sums in arrears. Only include the amounts received after you were 60 years old or older, and the amounts, if any, you received from a reversionary income stream as defined above.	\$
h	<p>Subtract row f amount from row g amount.</p> <p>If the result is less than or equal to \$1, write 0 at rows h and i.</p>	\$
i	Divide row h by 2.	\$

The amount at row **i** is your **assessable amount from your capped defined benefit income stream**.

Step 2

Add taxed elements you received when you were under 60 years old from your capped defined benefit income stream, and write the total at question **7** – label **J**.

Add lump sum in arrears taxed element amounts you received when you were under 60 years old, and write the total at question **7** – label **Y**.

Add up all your untaxed elements, and write the total at question **7** – label **N**.

Add up the lump sum in arrears untaxed elements, and write the total at question **7** – label **Z**.

Do not continue to step 3. You have now finished this question, see [Where to go next](#).

Step 3

Complete worksheet 4 only if:

- you completed row **c** in worksheet 3A
- you have a capped defined benefit income stream which is not a reversionary income stream.

Write the amount from row **j** at question **7** – label **M**.

Worksheet 4

Row	Calculation	Amount
a	Write the amount from row f in worksheet 3B .	\$
b	Add the tax-free component plus the taxed element plus the untaxed element from all your other capped defined benefit income streams which you received when you were under 60 years old and which were not reversionary income streams. These amounts are to include lump sum in arrears.	\$
c	Work out the number of days in 2022–23 you received your other capped defined benefit income streams when you were under 60 years old and which were not reversionary income streams.	days
d	Work out the number of days in 2022–23 you received your other capped defined benefit income stream when you were under 60 years old and which were not reversionary income streams during the	days

	same time you were receiving your reversionary income stream.	
e	<p>If row c is equal to row d, write 100% at row e.</p> <p>If row c is greater than row d, divide row d by row c and multiply by 100.</p>	%
f	Multiply row b by row e .	\$
g	<p>Subtract row f from row a. Round up to the nearest dollar.</p> <p>Where the result is zero or less than zero, write 0 at row g.</p> <p>The amount at row g is your reduced defined benefit income cap.</p>	\$
h	<p>Add the tax-free component plus the taxed element from your reversionary income streams and your other capped defined benefit income streams that you received when you were 60 years old or older.</p> <p>These amounts are to include lump sum in arrears.</p>	\$
i	<p>If row h is less than row g write 0 at row i and j.</p> <p>If row h is more than row g, subtract row g from row h.</p>	\$
j	Divide row i by 2.	\$

The amount at row **j** is your **assessable amount from your capped defined benefit income stream**.

Step 4

Add taxed elements you received when you were under 60 years old from your capped defined benefit income stream, and write the total at question **7** – label **J**.

Add lump sum in arrears taxed element amounts you received when you were under 60 years old, and write the total at question **7** –

label **Y**.

Add up all your untaxed elements, and write the total at question **7** – label **N**.

Add up the lump sum in arrears untaxed elements, and write the total at question **7** – label **Z**.

Where to go next

- Go to question 8 Australian superannuation lump sum payments 2023.
- Return to main menu Individual tax return instructions 2023.
- Go back to question 6 Australian Government pensions and allowances 2023.

QC 71985

8 Australian superannuation lump sum payments 2023

Complete question 8 to declare Australian superannuation lump sum payments or death benefit payments you received.

Last updated 25 May 2023

On this page

[Things you need to know](#)

[What you need to answer this question](#)

[Completing your tax return](#)

[Where to go next](#)

Things you need to know

Declare at this question Australian superannuation lump sum payments or superannuation death benefit payments you received, including those paid by:

- superannuation funds
- approved deposit funds
- retirement savings account providers
- life insurance companies.

It is also about:

- amounts we paid to you in respect of the superannuation guarantee charge or the superannuation holding accounts special account
- payments you received from the unclaimed money registers.

You need to declare lump sums you received from **foreign** superannuation funds in the supplementary tax return at **question 20**.

Amounts you don't show in your return

Do not show in your tax return:

- tax-free component of any superannuation lump sum, including any super co-contribution or low-income super tax offset payment from us (these amounts are tax free and not included in your assessable income)
- lump sum payments you received as a death benefits dependant of the deceased (see the definition in **Special circumstances and glossary 2023**, these amounts are tax free and not included in your assessable income)
- taxed element of a superannuation lump sum payment you received on or after your 60th birthday (these amounts are tax free and not included in your assessable income) unless it is a death benefit superannuation lump sum payment paid to you as a non-dependant
- superannuation lump sum payment received as the trustee of a deceased estate (this payment must be shown on the trust tax return of the deceased estate)
- amounts released under a 'release authority' issued to you because of an excess contributions tax assessment (these amounts are tax free and not included in your assessable income)

- amounts paid to you because you have a terminal medical condition (see the definition in **Special circumstances and glossary 2023**; these amounts are tax free and you should not have received a *PAYG payment summary – superannuation lump sum* for this type of payment)
- departing Australia superannuation payments.

Did you receive any of these payments?

No	Go to question 9 Attributed personal services income 2023, or return to main menu Individual tax return instructions 2023.
Yes	Read on.

What you need to answer this question

You will need your *PAYG payment summary – superannuation lump sum*.

If you can't find or think there is an issue (such as the dependency status) with your payment summary, contact your payer. If you are unsuccessful, see *PAYG payment summary – individual non-business*.

Completing your tax return

To complete this question, follow the steps 1 to 3 below.

If you received 2 or more superannuation lump sum during the year, you will need to complete a superannuation lump sum schedule. Go to [step 4](#).

Step 1

Write the date of payment and your payer's Australian business number (ABN), in the left column at question **8**.

Step 2

Write the total amount of tax withheld, as shown on your payment summary, under **Tax withheld** at question **8**.

Step 3

From your payment summary, write at question **8**:

- the taxed element amount at label **Q**
- the untaxed element amount at label **P**.

If you received a lump sum death benefit payment, print **N** in the **TYPE** box at question **8**. Otherwise, leave the **TYPE** box blank.

You have now finished this question. Go to [Where to go next](#).

Step 4

As you received 2 or more superannuation lump sums, you need to download and complete a **Superannuation lump sum schedule** using the information on your payment summaries.

Step 5

When you have completed the schedule, add together:

- all the of tax withheld amounts
- all the amounts taxed elements, and
- all the amounts of untaxed elements.

Transfer the 3 totals to question **8** in your tax return.

Write the total tax withheld in the **Tax withheld** column.

Write the total taxed elements at label **Q**.

Write the total untaxed elements at label **P**.

Print the code letter **M** in the **TYPE** box.

Do not write any date of payment or payer's ABN in your tax return.

Step 6

Attach your schedule to page 3 of your tax return.

Print **X** in the **Yes** box at **Taxpayer's declaration** question 2 on page 10 of your tax return.

Where to go next

- Go to question 9 Attributed personal services income 2023.
- Return to main menu Individual tax return instructions 2023.
- Go back to question 7 Australian annuities and superannuation income streams 2023.

QC 71986

9 Attributed personal services income 2023

Complete question 9 to declare personal services income attributed to you.

Last updated 25 May 2023

On this page

[Things you need to know](#)

[What you need to answer this question](#)

[Completing your tax return](#)

[Where to go next](#)

Things you need to know

You must complete this question if you provided personal services and you:

- received a *PAYG payment summary – business and personal services income* showing an **X** against 'Personal services attributed income', or
- had personal services income attributed to you.

Personal services income (PSI) is income that is mainly a reward for your personal efforts or skills and is generally paid either to you or to a

personal services entity (a company, partnership or trust).

If your PSI is paid to a personal services entity, the income (less certain deductions relating to gaining or producing that income) is attributed to you unless:

- the personal services entity gained the income in the course of conducting a personal services business, or
- the income was promptly paid to you by the entity as salary.

If the personal services entity has a net loss relating to your PSI, then no amount is attributed to you. To claim a deduction for the loss, see the supplementary tax return question **D15 Other deductions – not claimable at questions D1 to D14 or elsewhere** onin your tax return 2023.

There is an explanation of the rules relating to the attribution of PSI in *TR 2003/6 Income tax: attribution of personal services income*.

If you received PSI as a sole trader, do not complete this question. You must:

- answer the supplementary tax return question **14 Personal services income 2023**, and
- complete question **P1 Personal services income** in the *Business and professional items schedule for individuals 2023*.

If this applies to you, then you should lodge your tax return using myTax or a registered tax agent.

If you are unable to use myTax or a registered tax agent, **contact us** and we will mail you a paper tax return and Business and Professional items schedule.

Did you receive any attributed personal services income?

No	Go to Total tax withheld 2023, or return to main menu Individual tax return instructions 2023.
Yes	Read below.

What you need to answer this question

You will need:

- your *PAYG payment summary – business and personal services income*
- details of any other PSI attributed to you.

If you do not have this information, contact the person who paid you.

Completing your tax return

To complete this question, follow the steps below.

Step 1

Write the total amount of tax withheld from the PSI attributed to you under **Tax withheld** at the left of question **9** – label **O**.

Step 2

Write the total amount of PSI attributed to you at question **9** – label **O**.

Where to go next

- Go to Total tax withheld 2023.
- Return to main menu Individual tax return instructions 2023.
- Go back to question 8 Australian superannuation lump sum payments 2023.

QC 71987

Total tax withheld 2023

Complete the total tax withheld section in your tax return.

Last updated 25 May 2023

On this page

[Things you need to know](#)

[Completing your tax return](#)

[Where to go next](#)

Things you need to know

If you have a change to your total tax withheld see the following.

Tax offsets and tax withheld

If your tax offsets have changed since you last filled in a **Withholding** declaration, you need to complete a new declaration.

Other amounts withheld

If you have to lodge activity statements:

- make sure you lodge all your activity statements before you lodge your tax return
- do not show pay as you go (PAYG) instalments anywhere in your tax return; these are automatically credited to you in your assessment.

Completing your tax return

To complete this question, follow the steps below.

Step 1

Add up all the amounts under the **Tax withheld** column at questions **1** to **9** in your tax return.

Step 2

Write the total amount at **Total tax withheld**.

Where to go next

- Go to question 10 Gross interest 2023.
- Return to main menu Individual tax return instructions 2023.
- Go back to question 9 Attributed personal services income 2023.

10 Gross interest 2023

Complete question 10 to declare interest paid or credited to you from any source in Australia.

Last updated 25 May 2023

On this page

[Things you need to know](#)

[What you need to answer this question](#)

[Completing your tax return](#)

[Where to go next](#)

Things you need to know

Declare at this question interest paid or credited to you from any source in Australia, including accounts and term deposits held with financial institutions in Australia. This includes:

- interest we paid or credited to you
- interest from children's accounts you opened or operated with funds that belonged to you or funds that you used as if they belonged to you. For more information about children's accounts, see TD 2017/11 *Income tax: who should be assessed to interest on bank accounts?*

Show distributions of interest you received, or were entitled to receive, from a partnership or trust (including a cash management trust, property trust, unit trust or other similar trust investment product) in the supplementary tax return at question 13 Partnerships and trusts 2023.

Show interest from a foreign source in the supplementary tax return at question 20 Foreign source income and foreign assets or property 2023.

Was any interest paid or credited to you from any source in Australia?

No	Go to question 11 Dividends 2023, or return to main menu Individual tax return instructions 2023.
Yes	Read on.

What you need to answer this question

You will need:

- your statements or other documentation from your financial institutions and other sources that show 2022–23 interest income
- any statement of account or notice of assessment (or amended assessment) you received from us during 2022–23 that shows interest we paid or credited to you, for example
 - interest on early payments
 - interest on overpayments
 - delayed refund interest.

Tax file number (TFN) amounts are amounts of tax withheld by financial institutions because you did not provide your TFN or Australian business number (ABN) to them. TFN amounts are shown on your statement or document as 'Commonwealth tax' or 'TFN withholding tax'. You must show these amounts as gross interest in your tax return.

If you were a foreign resident when you received or were credited with the interest, do not include it here; for information about non-resident withholding tax on these amounts see **Special circumstances and glossary 2023**.

If you had any joint accounts, show only your share of the interest. This will be half if you held the account equally with one other person.

Keep a record of how you worked out your proportion if you and the other account holders did not share the amounts of interest equally.

Completing your tax return

To complete this question, follow the steps below.

Step 1

Add up the amounts of gross interest you received in 2022–23.

Step 2

Write the total amount of your gross interest at question **10** – label **L**. Do not show cents. If the total was less than \$1, do not write anything.

Step 3

Add up all the TFN amounts shown on your statements, but do not include TFN amounts that we have already refunded to you. Write the total at question **10** – label **M**. Show cents.

Where to go next

- Go to question 11 Dividends 2023.
- Return to main menu Individual tax return instructions 2023.
- Go back to question Total tax withheld 2023.

QC 71988

11 Dividends 2023

Complete question 11 to declare dividends and distributions paid or credited by Australian companies you had shares in.

Last updated 25 May 2023

On this page

[Things you need to know](#)

[What you need to answer this question](#)

[Completing your tax return](#)

[Where to go next](#)

Things you need to know

Declare at this question dividends and distributions that were paid or credited to you by Australian companies that you had shares in. These include:

- dividends applied under a dividend reinvestment plan
- dividends that were dealt with on your behalf
- bonus shares that qualify as dividends
- distributions by a corporate limited partnership
- dividends paid by a corporate unit trust
- dividends paid by a public trading trust
- dividends paid by a listed investment company.

The following may also be included as dividends:

- earnings you received, or were credited with, on a non-share equity interest
- amounts you received from, or were credited by, a private company as a shareholder or an associate of a shareholder in the form of payments, loans or debts forgiven (these are generally unfranked dividends)
- amounts you received from, or were credited by, the trustee of a trust estate in the form of payments, loans or debts forgiven where a private company in which you were a shareholder, or an associate of a shareholder, had an unpaid present entitlement (or was going to have such an entitlement by a certain time) from the trust (these are generally unfranked dividends).

Do not include dividends paid under a demerger unless the company advised you to include them.

Your dividend statements will show the amounts and should show the payment dates.

If you received, or were credited with, a dividend when you were not an Australian resident, see **Special circumstances and glossary 2023**.

If you:

- received a distribution from a partnership or trust, see the supplementary tax return question **13 Partnerships and trusts 2023**
- carried on a business of trading in shares, see the supplementary tax return question **15 Net income or loss from business 2023**
- sold, redeemed, cancelled or otherwise disposed of shares during the year (but did not carry on a business of trading in shares), see the supplementary tax return question **18 Capital gains 2023**
- received dividends from a foreign company, see the supplementary tax return question **20 Foreign source income and foreign assets or property 2023**
- received dividends from a New Zealand company with Australian franking credits attached, see the supplementary tax return question **20 Foreign source income and foreign assets or property 2023**
- received dividends or a distribution on which family trust distribution tax had been paid, see the supplementary tax return question **A5 Amount on which family trust distribution tax has been paid 2023**.

Were you paid or credited with any dividends by Australian companies?

No	Go to question 12 Employee share schemes 2023 , or return to main menu Individual tax return instructions 2023 .
Yes	Read on.

What you need to answer this question

You will need your statements from each Australian company, corporate limited partnership, corporate unit trust, public trading trust and listed investment company that paid you dividends or made distributions to you from 1 July 2022 to 30 June 2023 inclusive.

Statements may show:

- amounts of franked and unfranked dividends
- amounts of franking credits
- tax file number (TFN) amounts withheld from unfranked dividends.

Franking credits are amounts of tax paid by the company that are allocated to your dividend or distribution. You include as assessable income both:

- the amount of your dividend or distribution, and
- the amount of the franking credits allocated to you.

You also receive a tax credit on your tax assessment for an amount equal to the franking credits.

You may not be entitled to claim the franking credits if:

- within 45 days of buying the shares (90 days for certain preference shares), you either sold them or entered into an arrangement to reduce the risk of making a loss on them
- you were under an obligation to make, or were likely to make, a related payment, or
- you received a dividend as a result of a dividend washing arrangement.

For more information, see **Holding period rule**, **Related payments rule** and **Dividend washing integrity rule** in **Special circumstances and glossary 2023**.

TFN amounts are amounts of tax withheld from dividends and some distributions by investment bodies because you did not provide your TFN or ABN to them. TFN amounts are shown on your dividend statement. These amounts must be included in the amount of unfranked dividends in your tax return.

If you had any shares in joint names, show only your proportion of the dividends. This would be half if you held the shares equally with one

other person. Keep a record of how you worked out your proportion if you and the other joint owners did not own the shares equally.

Completing your tax return

To complete this question, follow step 1 to 4 below.

If any of your statements do not show franked and unfranked portions of the dividend, show the total dividend amount at label **T**.

Step 1

Add up all the unfranked dividend amounts from your statements, including any TFN amounts withheld. Include any other amount that is treated as dividends.

Write the total amount at label **S**.

Step 2

Add up all the franked dividend amounts from your statements and any other franked dividends paid or credited to you.

Write the total amount at label **T**.

Step 3

Add up the 'franking credit amounts' shown on your statements. Do not include them if the **holding period rule**, **related payments rule** or **dividend washing integrity rule** prevent you from claiming them. For more information, see *You and your shares 2023*.

Write the total amount at label **U**.

Step 4

Add up all the TFN amounts withheld that have not been refunded to you.

Write the total amount at label **V**. Show cents.

Keep your dividend statements.

Where to go next

- Go to question 12 Employee share schemes 2023.

- [Return to main menu Individual tax return instructions 2023.](#)
- [Go back to question 10 Gross interest 2023.](#)

QC 71989

12 Employee share schemes 2023

Complete question 12 to declare discounts on employee share scheme interests (ESS interests) you received under an ESS.

Last updated 25 May 2023

On this page

[Things you need to know](#)

[What you need to answer this question](#)

[Completing your tax return](#)

[Where to go next](#)

Things you need to know

Declare at this question **discounts** on employee share scheme interests (ESS interests) that you or your **associate** received under an employee share scheme. ESS interests are:

- shares
- stapled securities (provided at least one of the stapled interests is a share in a company)
- rights to acquire shares and stapled securities.

An ESS interest acquired by your associate in respect of your employment is treated as though the ESS interest was acquired by you.

The discount is the difference between the market value of the ESS interests and the amount paid to acquire them.

The ESS interests can be:

- from an Australian company or a foreign company
- related to your employment inside or outside Australia
- related to a work relationship other than employment – for example, sub-contracting.

Schemes where you are taxed on the discount in the year you acquired the interest are known as 'taxed-upfront schemes'. However, if you and the scheme meet certain conditions the taxing point is deferred until a later time, this is known as the 'deferred taxing point'. These tax-deferred schemes are known as 'deferral schemes'.

Changes to ESS interests acquired on or after 1 July 2015 include:

- changes to the timing of the **deferred taxing point**
- a tax concession through which some discounts on ESS interests in start-up companies will not be taxed under the employee share scheme regime, as long as you meet the eligibility criteria. Subsequent gains on the disposal of these ESS interests will be taxed under the capital gains tax rules.

Discounts on eligible ESS interests provided to you by a start-up company will not be included on your *Employee share scheme statement* and should not be included at this question.

From 1 July 2022, ceasing employment with the employer you acquired the ESS interests from is no longer a deferred taxing point. If you cease employment on or after 1 July 2022, the deferred taxing point will become the earliest of the remaining deferred taxing points. This change applies to ESS interests under deferral schemes, regardless of when they are acquired.

For more information, see **Key ESS changes in detail**.

Did any of the following apply to you?

- You received a discount on ESS interests acquired under a 'taxed-upfront scheme'.
- A 'deferred taxing point' occurred in respect of your ESS interests under a 'deferral scheme'.

No	Go to Income in the supplementary tax return 2023, or return to main menu Individual tax return instructions 2023 .
Yes	Read on.

The conditions of the scheme in which you participate and your personal circumstances determine when you pay tax on the discount you receive.

You may be entitled to reduce the amount of the discounts received under taxed-upfront schemes by up to \$1,000. You may qualify for the reduction if the total of following amounts is \$180,000 or less, your:

- taxable income for the year (calculated as though you are not entitled to the \$1,000 reduction), excluding any assessable **First home super saver** released amount.
- total reportable fringe benefits amounts (question **IT1** – labels **N** and **W**)
- reportable employer superannuation contributions (question **IT2** – label **T**)
- net financial investment loss (question **IT5** – label **X**)
- net rental property loss (question **IT6** – label **Y**)
- deductible personal superannuation contributions (question **D12** – label **H**).

The rules of the scheme or a letter from your employer should advise you whether you have acquired ESS interests under a taxed-upfront or deferral scheme.

Associates

If an associate has acquired an ESS interest as a result of your employment:

- you must include the discount in your assessable income
- your associate does not include the discount on their tax return.

Temporary residents

If you qualify as a temporary resident for tax purposes special rules may apply to the ESS interests you acquired.

For more information, see **ESS – Foreign income exemption for Australian residents and temporary residents**.

Disposal of ESS interests

Special provisions may apply if:

- you disposed of your ESS interests because of a corporate restructure or takeover, and
- you received replacement shares, stapled securities, or rights.

For more information, see **ESS – Rollover relief**.

What you need to answer this question

You will need your *Employee share scheme statement* from each employer with whom you participated in an employee share scheme. You may have a paper or electronic statement. Each statement shows the amount of your discount and whether your discount was from a:

- taxed-upfront scheme eligible for reduction
- taxed-upfront scheme not eligible for reduction
- deferral scheme.

Statements may also show 'tax file number (TFN) amounts withheld' where applicable. TFN amounts withheld are amounts of tax withheld when you do not provide your TFN or ABN to your employer.

If you do not have all your *Employee share scheme statements* or comparable statements, contact your employer. If you are unsuccessful, see **Income statement not finalised or missing payment summary**.

If you received ESS interests from a foreign employer, you might not receive an *Employee share scheme statement*. A foreign employer can provide you the relevant details in writing.

Do not attach your *Employee share scheme statements* to your tax return. Make sure you keep your statements for at least 5 years after you are assessed on your discounts.

Completing your tax return

To complete this question, follow the steps below.

For the purposes of steps 1 to 3, the term *Employee share scheme statement* includes comparable statements and statutory declarations.

Step 1

Add up all the discount amounts you received from **taxed-upfront schemes eligible for reduction**, including:

- amounts shown on your *Employee share scheme statements*
- any foreign source discounts you received.

Write the total amount at label **D**.

Step 2

Add up all the discount amounts you received from **taxed-upfront schemes not eligible for reduction**, including:

- amounts shown on your *Employee share scheme statements*
- any foreign sourced discounts you received.

Write the total amount at label **E**.

Step 3

Add up all the discount amounts you received from **deferral schemes** where a deferred taxing point occurred during 2022–23, including:

- amounts shown on your *Employee share scheme statements*
- any foreign source discounts you received.

Write the total amount at label **F**.

Step 4

If you did not write an amount at label **D**, add up the amounts that you wrote at label **E** and label **F**.

Write the total at label **B**, and go to step 6.

If you wrote an amount at label **D**, continue to step 5.

Step 5

If you wrote an amount at label **D**, you may be entitled to a reduction of up to \$1,000 on the amount that you are assessed on.

You may be entitled to reduce the amount of the discounts received under taxed-upfront schemes by up to \$1,000. You may qualify for the reduction if the total of following amounts is \$180,000 or less.

Calculate your taxable income (as if you were **not** entitled to this reduction) and excluding any assessable **First home super saver** released amount. If you had a taxable loss, treat it as zero for the purposes of this calculation.

Add the following amounts from the relevant labels to your taxable income:

- your total reportable fringe benefits amounts (question **IT1** – label **N** and **W**)
- your reportable employer superannuation contributions (question **IT2** – label **T**)
- your net financial investment loss (question **IT5** – label **X**)
- your net rental property loss (question **IT6** – label **Y**)
- your deductible personal superannuation contributions (question **D12** – label **H**).

If the amount that you calculated was more than \$180,000, you are not entitled to a reduction. Add up the amounts that you wrote at label **D**, **E**, and **F**.

Write the total at label **B**.

If the amount that you calculated was \$180,000 or less, are eligible for the reduction of up to \$1,000. If the amount at label **D** is:

- \$1,000 or less, add up the amounts that you wrote at label **E**, and **F** and write the total at label **B**.
- More than \$1,000, add up the amounts at label **D**, **E**, and **F** then subtract \$1,000 away from the total and write the amount at label **B**.

Go to [Step 6](#).

Step 6

Add up all the TFN amounts withheld from discounts from your *Employee share scheme statements*. Write the total **TFN amounts withheld from discounts** at label **C**.

Step 7

If you did not pay foreign income tax in respect of any discounts you received on ESS interests you have finished this question.

If you have paid foreign income tax in respect of the discounts, you may be entitled to claim a foreign income tax offset for the discounts.

Write at label **A** the total amount of your discounts from ESS interests for which you are claiming a foreign income tax offset.

To claim a foreign income tax offset, you must complete question **20** – label **O** on your supplementary tax return. For information on how to calculate a foreign income tax offset, read **Guide to foreign income tax offset rules 2023**.

If you have paid foreign tax in respect of discounts on ESS interests included in your assessable income in a prior income year, you may be entitled to a foreign income tax offset for that income year. To claim this tax offset, you need to request an amendment to your tax return for that income year.

For instructions on requesting an amendment for a prior income year tax return, see **Important information 2023**.

Where to go next

- Go to **Income in the supplementary tax return 2023**.
- Return to main menu **Individual tax return instructions 2023**.
- Go back to question 11 **Dividends 2023**.

QC 71990

Income in the supplementary tax return 2023

Instructions for completing income questions in the supplementary section of the tax return.

Last updated 25 May 2023

On this page

[Things you need to know](#)

[What you need to answer this question](#)

[Completing your tax return](#)

[Where to go next](#)

Things you need to know

You need to complete the *Tax return for individuals (supplementary section) 2023* if you had any of the following types of income or losses.

Types of income

- Partnership and trust distributions
- Personal services income (other than salary and wage income) – including these three 'specified payments' specified by regulation
 - income as a performing artist in a promotional activity
 - payment for tutorial services provided for the Indigenous Student Success Programme (formerly known as the Indigenous Tutorial Assistance Scheme) of the Department of the Prime Minister and Cabinet
 - payment for translation and interpretation services for the Translating and Interpreting Service (TIS National) of the Department of Home Affairs.
- Income from a business, including one where you were self-employed
- Income under a pay as you go (PAYG) voluntary agreement

- Income from which an amount was withheld because you did not quote your Australian business number
- Income you received as an independent contractor under a labour hire arrangement
- Income you earned as a non-employee taxi driver, for example, a driver operating under a standard bailment agreement with an owner-operator
- Income from which an amount was withheld due to the operation of foreign resident withholding
- Income you deposited into a farm management account
- Income you withdrew from a farm management account
- A capital gain, for example, on disposal of a capital gains tax (CGT) asset
- A distribution from a foreign entity
- Income attributed to you from a controlled foreign company or a transferor trust (foreign income)
- Income shown on a foreign employment payment summary
- Any other foreign employment income
- Income from a foreign source, including
 - foreign pensions and foreign dividends, for example, New Zealand dividends with Australian franking credits
 - foreign assets (including an interest in a foreign life policy or foreign company or trust, or shares)
 - the transfer, direct or indirect, of property (including money) or services to a non-resident trust estate.
- Rent
- Bonuses from life insurance companies and friendly societies
- Forestry managed investment scheme income
- Gains from financial arrangements calculated under the taxation of financial arrangements (TOFA) rules

- [Other income](#) not shown at questions **1** to **12**

'Other income' includes:

- amounts released by one or more of your superannuation funds greater than the excess contributions tax liability stated on the release authority (the release authority is sent to you with the notice of assessment for excess contributions tax)
- an assessable First home super saver (FHSS) released amount
- lump sum payments in arrears (except those relating to superannuation, you show these at question **7**)
- income you earned from the sharing economy or other marketplace – except income you earned as an employee or from carrying on a business
- jury attendance fees
- foreign exchange gains
- royalties
- bonus amounts distributed from friendly society income bonds
- taxable scholarships, bursaries, grants and other educational awards
- benefits and prizes from investment-related lotteries and some game-show winnings
- income from your activities as a special professional, such as author of a literary, dramatic, musical or artistic work; an inventor; a performing artist; a production associate or an active sports person
- reimbursements of tax-related expenses or election expenses which you have claimed as a deduction
- assessable balancing adjustments from the disposal, loss or destruction of any depreciating asset, including your car, for which you have claimed a deduction for decline in value
- payments from sickness and accident insurance policies other than those shown on your payment summary
- gains from the disposal or redemption of traditional securities

- allowances or payments you received as a member of a local government council that you have not already shown at question **1** or **2**
- other taxable allowances or payments you received from Services Australia that are not shown at question **5** or **6**
- work-in-progress amounts you received and have not shown at question **15**.

Types of losses

- A business loss (including one when you were self-employed)
- A deferred non-commercial business loss
- A capital loss, for example, on disposal of a CGT asset
- Non-capital loss from the disposal or redemption of traditional securities

Did you have any of these types of income or losses?

No	Go to Total income or loss 2023, or return to main menu Individual tax return instructions 2023.
Yes	Read on.

What you need to answer this question

You can get a copy of the return form Tax return for individuals (supplementary section) 2023. You may also need to read **Supplementary tax return instructions 2023**.

If you were a partner in a partnership that made a loss, had business or personal services income, or deferred non-commercial losses, you should lodge your tax return using myTax or a registered tax agent.

If you are unable to use myTax or a registered tax agent, **contact us** and we will mail you a paper tax return and Business and Professional items schedule.

Completing your tax return

After completing all details that are relevant to your circumstances on the *Tax return for individuals (supplementary section) 2023*, transfer the **Total supplement income or loss** amount on page 15 to question **I** on page 3 of your *Tax return for individuals 2023*. If it is a loss, print **L** in the **Loss** box beside it.

Where to go next

- Go to Total income or loss 2023.
- Return to main menu Supplementary tax return instructions 2023.
- Go back to question 12 Employee share schemes 2023.

QC 71949

Total income or loss 2023

Complete the total income or loss section of your tax return.

Last updated 25 May 2023

On this page

[Completing your tax return](#)

[Where to go next](#)

Completing your tax return

Go to **Total income or loss** on page 3 in your tax return.

Step 1

Check that you have shown all your income.

Step 2

Add up all the amounts in the right-hand column for questions **1** to **12** on pages 2 to 3 in your tax return.

Step 3

If below question **12** in your tax return you have no amount at label **I** go to step 4, otherwise read on. If the amount at label **I** is a loss you take it away from your total from step 2, otherwise add the amount at label **I** to your total from step 2.

Step 4

Write your answer at **Total income or loss**.

If your answer is a loss, print **L** in the **LOSS** box at the right of **Total income or loss**.

Where to go next

- Go to question D1 Work-related car expenses 2023.
- Return to main menu Individual tax return instructions 2023.
- Go back to Income in the supplementary tax return 2023.

QC 71867

Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional

advice.

Copyright notice

© Australian Taxation Office for the Commonwealth of Australia

You are free to copy, adapt, modify, transmit and distribute this material as you wish (but not in any way that suggests the ATO or the Commonwealth endorses you or any of your services or products).