



Tax file number and Australian business number information for savings accounts and investments

Tax file number and Australian business number information for savings accounts and investments.

Last updated 16 March 2015

Introduction

This guide explains when people and organisations with savings accounts and investments need to quote their tax file number (TFN) or Australian business number (ABN). Quoting TFNs or ABNs helps ensure every person and organisation pays the correct amount of tax on any interest, dividends and unit trust distributions they receive.

Special exemptions apply for some pensioners, most children under 16 years of age and certain non-profit organisations. If you are in one of these categories, refer to the appropriate section of this guide as well as reading the general sections.

Find out more:

- For more information about TFNs, including how to get one, see [Tax file numbers](#).
- For more information about ABNs, including who is entitled to one and how to apply, see [Australian business number \(ABN\)](#).

Quoting your TFN or ABN for savings accounts and investments

It is not compulsory for you to quote your TFN or ABN for savings accounts and investments – it is your choice. If you decide to quote

your TFN or ABN, you need to complete a form for each account or investment for which you wish to quote. Forms for this purpose are available from your investment body. Give the completed form to the investment body, not us.

If you have trouble writing, are ill or incapacitated, or live in an isolated area, you can get someone else to quote your TFN or ABN for you. Some people or organisations may claim an exemption from quoting a TFN or ABN (see [Claiming an exemption from quoting a TFN for savings accounts and investments](#)).

Investment bodies are authorised under tax law to collect TFNs and ABNs.

Which number to quote

An organisation may quote its ABN instead of its TFN only if it made the investment while carrying on an enterprise (this does not include hobbies).

Which savings accounts and investments are affected?

There are a range of investments for which you need to decide whether to quote your TFN or ABN, or claim an exemption. They include any type of bank, building society or credit union account or investment which pays interest, dividends or unit trust distributions. Some examples of these accounts and investments are:

- savings accounts – statement or passbook
- interest-bearing cheque accounts
- term deposits or fixed deposits
- shares
- bonds
- debentures
- units in a unit trust
- deposits of money with a solicitor
- common funds.

Accounts and investments can be held with a range of investment bodies, including:

- banks, building societies and credit unions
- finance companies and merchant banks
- public companies
- government bodies and bodies corporate
- unit trusts
- solicitors
- trustee companies.

When the TFN and ABN quotation rules apply

The rules apply:

- for accounts and investments you currently have
- when you open a new account or investment
- when your circumstances change.

Not all investment bodies automatically attach or transfer a TFN or ABN when an investment is renewed. You may have to quote your TFN or ABN again if you renew an investment.

If you don't quote your TFN or ABN

An amount will be withheld from your interest and other investment income at the top rate of tax plus Medicare levy when **both**:

- you chose not to quote your TFN or ABN, and haven't claimed an exemption from doing so
- your income from interest and other investments is more than or equal to the relevant threshold.

What the threshold is

The threshold is the amount of interest or other investment income you can earn before an amount will be withheld if you don't quote your

TFN or ABN, and haven't claimed an exemption from doing so.

Different thresholds apply, depending on the type of investment and the investor. The threshold that applies to interest received from banks, building societies and credit unions is \$120 a year – that is, \$10 a month for each account.

If your account earns \$120 or more in interest a year, you need to quote your TFN or ABN, or claim an exemption to prevent an amount being withheld.

There is no threshold for other investments, such as those with:

- public companies
- unit trusts
- finance companies
- government bodies
- solicitors.

An amount will be withheld from this investment income where a TFN or ABN is not quoted, and an exemption is not claimed.

Joint accounts and investments

Two investors

If you have a joint investment with another person or organisation, both account holders' TFNs, ABNs or exemptions should be quoted. If only one person provides their details, an amount will be withheld from the total investment income if it is more than or equal to the threshold. The threshold amount for joint accounts is the same as for single accounts.

Three or more investors

Where more than two investors hold a joint account, details of at least two investors are required. You must give details of people with a TFN or ABN in preference to those who are exempt from quoting. If only one person provides their details for a joint investment, an amount will be withheld from the total investment income if it is more than or equal to the threshold. The threshold amount for joint accounts is the same as for single accounts.

Joint accounts with children

For joint accounts of an adult and a child, the threshold amount is the same as for single accounts. The special threshold for children's accounts only applies if all account holders are under 16 years of age (see [Children's accounts and investments](#)).

Joint accounts with foreign residents

If you hold a joint account with a foreign resident of Australia, phone us on **13 28 61** between 8.00am and 6.00pm, Monday to Friday, for more information.

Claiming an exemption from quoting a TFN for savings accounts and investments

Some people and organisations can claim an exemption from quoting a TFN or ABN even if their investment earns them income more than or equal to the relevant threshold. These include:

- certain pensioners (see [Pensioners' accounts and investments](#))
- most children under 16 years of age (see [Children's accounts and investments](#))
- certain non-profit organisations (see [Organisations that do not have to lodge a tax return](#), [Taxable non-profit organisations](#) and [Social clubs](#)).

If you, or your organisation, are exempt and want to prevent an amount being withheld where the income for an investment is more than or equal to the threshold, you must notify your investment body that you are exempt. Fill in a form for each investment body, and nominate the accounts or investments for which you wish to claim an exemption. Forms are available from your investment body. Give the completed form to the investment body, not us.

You need to give the reason you are exempt – for example, an age pensioner claiming an exemption would write 'age pensioner' on the form, or a child under 16 years of age would write their date of birth.

If you have trouble writing, are ill or incapacitated, or live in an isolated area, you can get someone else to claim your exemption for you.

If you are eligible to claim an exemption, but you also have a TFN or ABN, you may choose to quote your TFN or ABN in case your circumstances change and you are no longer exempt. Unless you are covered by one of the following exemption categories, you cannot claim an exemption from quoting a TFN or ABN.

Pensioners' accounts and investments

You are eligible to claim an exemption if you receive one of the following payments:

- age pension
- widow B pension (payments ceased 20 March 2020, with eligible recipients transitioned to age pension)
- disability support pension
- parenting payment – that is, a pension PP (single)
- wife pension (payments ceased 20 March 2020, with eligible recipients transitioned to age pension)
- special benefit
- carer payment
- special needs pension
- service pension or income support supplement or allowance.

If you receive a superannuation pension, you are not exempt unless you also receive one of the above payments.

If you do get one of the payments listed, you can claim your exemption by notifying your investment bodies of the type of payments you receive – for example, an age pensioner claiming an exemption would write 'age pensioner' on the form. This will ensure an amount is not withheld from your investment income.

Even though you are a pensioner and exempt from quoting a TFN for investments, you must still meet your other obligations, such as lodging tax returns.

Children's accounts and investments

Accounts and investments held by children

A different threshold applies to investments held by children under 16 years of age. Where a child under 16 years of age has an investment in their own name which earns income of less than \$420 a year – that is, \$35 a month – they are not affected by the TFN rules. However, they must notify their investment body of their date of birth to prevent an amount from being withheld from their investment income.

The \$420 threshold applies to children until the end of the calendar year in which they turn 16 years of age. After that, they need to decide whether to quote their TFN. A child who does not have a TFN can apply for one at any time.

The \$420 threshold does not apply where a child under 16 years of age receives dividends from a public company – there is no threshold for income received from these investments.

Accounts and investments held by a trustee for children

The \$420 threshold does not apply to investments held by a trustee for children.

An investment account held by a trustee for a child with a bank, building society or credit union, which earns income of \$120 or more a year, will have an amount withheld where a TFN is not quoted. The trust TFN should be quoted.

If there is no trust TFN, the trustee's personal TFN should be quoted – for example, where the investment is held by an adult for a child, the adult is the trustee.

Organisations that do not have to lodge a tax return

Income tax exempt organisations that do not have to pay tax or lodge a tax return are exempt from income tax. They are also exempt from quoting a TFN or ABN.

There are more than 30 types of income tax exempt organisations. They range from registered employer associations to non-profit societies for the encouragement of music, from charitable institutions to non-profit sports clubs, and from public educational institutions to non-profit hospitals.

Find out more

For more information about the various types of exempt entities, see:

- Tax file number (TFN) withholding on accounts and investments held by non-profit organisations
- Income tax exempt organisations.

Alternatively, you can phone us on **13 28 66** between 8.00am and 6.00pm, Monday to Friday.

If your organisation is income tax exempt, you can claim an exemption from quoting a TFN or ABN by telling the investment body that your organisation does not have to lodge a tax return because it is exempt.

Anyone eligible to represent your organisation can do this. Write on the form 'Exempt from income tax'.

Taxable non-profit organisations

Not all non-profit organisations are exempt from income tax. If a non-profit organisation must lodge a tax return, it is also affected by the TFN rules.

Generally, taxable non-profit organisations only need to lodge a tax return and pay tax if their taxable income exceeds \$416 in any one financial year.

If a non-profit organisation will have a taxable income of \$416 or less, it may claim an exemption from quoting a TFN or ABN. It should tell its investment bodies that it does not have to lodge a tax return because it is a non-profit organisation with an annual taxable income below the lodgment threshold amount.

If a non-profit organisation will have a taxable income of more than \$416, an amount will be withheld from its investment income where it earns \$120 or more a year if no TFN or ABN is quoted.

Anyone eligible to represent a non-profit organisation can quote its TFN or ABN, or claim an exemption.

Find out more

If you need more information about TFNs, see **Tax file numbers**.

If you need more information about ABNs, see **Australian business number (ABN)**.

Social clubs

Clubs such as punters' clubs, lottery syndicates and craft clubs are generally not exempt from quoting a TFN or ABN. You should quote a TFN or ABN to your club's investment bodies, or an amount will be withheld from your club's investment income, if your club is of the type described above and **either**:

- has savings accounts with a bank, building society or credit union which earns \$120 interest or more a year – that is, \$10 a month
- earns any amount from other types of investments, such as shares.

If an investment is made in the name of the club, a company TFN or ABN should be quoted.

If the investment is in the name of a person as trustee for the club, that person's individual TFN should be quoted unless there is a trust TFN or ABN. If it is a joint investment in the names of two people, the details of both account holders should be given. Where more than two people are named, details of at least two account holders are required. If only one person provides their details for a joint investment, an amount will be withheld from the total investment income if it is above the threshold.

Accounts and investments held by foreign residents

Investments held by foreign residents are subject to PAYG withholding rules which relate to foreign residents. Foreign residents do not need to quote a TFN if tax is withheld by the investment body under these rules, or would be but for certain exemptions.

When an amount is withheld

If you choose not to quote your TFN or ABN, or to claim an exemption, an amount will be withheld from your investment income if it is more than or equal to the threshold.

What your investment body does

Your investment body will withhold an amount and send it to us. It will also notify you of any amounts withheld:

- when notifying you of the payment of interest or other investment income in the usual statements sent out to you
- when sending a dividend or distribution cheque
- when updating passbook information
- in writing, within 21 days of you requesting the details of any amount withheld from interest or other investment income paid.

Claiming a credit for the amount withheld

If an amount is withheld from your investment income, you should claim the amount withheld as a credit when you lodge your tax return at the end of the financial year. There is a box on the tax return for this purpose.

You must declare all investment income on your tax return, regardless of whether an amount has been withheld.

If an amount is withheld by mistake

If an investment body withholds an amount in error from your investment income – for example, you quoted your TFN but the investment body failed to record it – you may be entitled to a refund of the amount withheld in error.

The investment body must refund the amount to you if you apply for the refund before 30 June of the relevant financial year during which the amount was withheld. If you do not apply for the refund before that time, you will need to lodge an income tax return to claim a credit for the amount withheld. In certain limited circumstances, a direct refund may be available from us.

Find out more:

If you need more information about these refunds, phone us on **13 28 61** between 8.00am and 6.00pm, Monday to Friday.

If you forgot to claim your exemption

Where an amount is withheld because you forgot to claim an exemption, you can apply to us for a refund.

Find out more:

If you need more information about these refunds, phone us on **13 28 61** between 8.00am and 6.00pm, Monday to Friday. At the same time, you should claim your exemption with all your investment bodies.

If you did not quote your TFN or ABN

Where an amount is withheld because you chose not to quote your TFN or ABN, or forgot to, the investment body cannot refund the amount withheld and you must wait until you can claim the amount withheld as a credit on your tax return.

Privacy


The *Privacy Act 1988* protects individuals' TFN information. The Office of the Privacy Commissioner has issued guidelines to assist in protecting your privacy by clearly explaining who can collect, store, use and disclose your TFN information.

Under the tax laws, if you choose to give your TFN to an investment body, they are legally required to record the TFN and pass it on to us.

If you believe that your privacy has been breached by the unauthorised collection, use or disclosure of your TFN, you should tell us – see [More information](#).

There are severe penalties, including imprisonment, for the unauthorised use of a TFN. Other people must not use your TFN for any purpose unless authorised by:

- tax law
- superannuation law
- specific laws administered by assistance agencies, for example, Centrelink.

Under the tax laws, the Registrar of the Australian Business Register may give [access to the public](#)  to an entity's ABN and there are no privacy provisions applicable to the ABN itself.

More information

If you need more information about TFNs or ABNs, see:

- Tax file numbers

- Australian business number (ABN).

Alternatively:


- you can phone **13 28 61** between 8.00am and 6.00pm, Monday to Friday, or
- if you are in business, phone **13 28 66** between 8.00am and 6.00pm, Monday to Friday.

If you phone us we need to know we are talking to the correct person before discussing your tax affairs. We will ask you for details only you, or your authorised representative, would know.

To assist with your enquiry you may also quote your TFN if you have one. It is not an offence not to quote your TFN, but quoting it reduces the risk of administrative errors that may delay the processing of your enquiry.

If you do not speak English well and want to talk to a tax officer, phone the Translating and Interpreting Service on **13 14 50** for help with your call.

If you are deaf, or have a hearing or speech impairment, phone the ATO through the National Relay Service (NRS) on the numbers listed below:

- TTY users, phone **13 36 77** and ask for the ATO number you need
- Speak and Listen (speech to speech relay) users, phone **1300 555 727** and ask for the ATO number you need
- internet relay users, connect to the NRS on relayservice.com.au  and ask for the ATO number you need.

QC 16808

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).