



Australian Government

Australian Taxation Office

Education tax refund instructions and claim

2009

For people who are not required to lodge an income tax return and want to claim the education tax refund



STOP

You can claim the education tax refund only if you meet **one** of the following conditions:

- 1 you or your partner received family tax benefit (FTB) Part A for a child at school
- 2 a child was not your '**FTB child**' because certain payments were paid for the child
- 3 you would have met condition 1 or 2 if your child had not stopped school and earned too much income, or
- 4 you were an independent student at school.

The words printed in bold are explained in **Explanation of terms** on the next page.

EDUCATION TAX REFUND

You may be eligible for the education tax refund (ETR) if you, or your **partner**, **incurred** education expenses between 1 July 2008 and 30 June 2009 for the primary or secondary school studies (at school, home or TAFE) of:

- a child, or
- yourself, if you were an independent student under 25 years old.

For you to be eligible to claim the ETR for an expense for a student, the expense must be an **eligible education expense**, and when the expense was incurred:

- you must have met **one** of the four conditions on page 3, and
- the student must have met the **schooling requirement**.

Do you need to lodge an individual tax return for 2008-09?

YES ☐ Claim the ETR on your *Tax return for individuals 2009* (NAT 2541).

NO ☐ Read below.

Do you want to claim the ETR?

NO ☐ You don't need to read this publication.

YES ☐ Read on.

EXPLANATION OF TERMS

Eligible education expenses

The following are eligible education expenses if they relate directly to the education of the student for whom you are claiming the ETR:

- laptops, home computers, repair and associated running costs
- computer-related equipment, such as printers, USB flash drives, as well as disability aids to assist in the use of computer equipment for students with special needs, repair and associated running costs
- home internet connection, including the cost of establishing and maintaining it
- computer software – for example, word processing, spreadsheet and presentation software
- school textbooks and other paper-based school learning material, including prescribed textbooks, associated learning materials, study guides and stationery
- tools of trade, such as tools required to complete a school-based apprenticeship.

The following are **not eligible education expenses** for the ETR:

- school fees
- school uniform expenses
- student attendance at school excursions and camps
- tutoring costs
- sporting equipment
- musical instruments
- library book fees
- building levies
- school subject levies
- school photos
- donations
- tuckshop expenses
- waiting list fees
- transport
- membership fees
- computer games and consoles.

You cannot claim for an expense, or that part of an expense:

- that is tax deductible
- that is subject to another tax offset, or
- for which you received or are entitled to receive a reimbursement or payment under a Commonwealth Government benefit, grant or subsidy.

FTB child

A child will be your 'FTB child' on a day when:

- the following basic and aged-based criteria are met, and
- the child is not prevented from being your FTB child by the **negative test**.

There may be other situations when a child will be your FTB child. If in doubt, contact the Family Assistance Office (FAO). See **How to contact the FAO** on page 6.

The basic criteria are as follows:

- The child must be in your care for 35% of the time or more (see **Negative test** in the next column).
- You must be an Australian resident or a special category visa holder and the child must be:
 - an Australian resident
 - a special category visa holder residing in Australia, or
 - living with you.
- The child must not be your partner or, if the child is under 16 years old they would not be your partner if they were over the age of consent in your state or territory.

- The child, or someone on their behalf, must not receive any social security pension or benefit or Labour Market Program payment for the child.
- The child must be under 25 years old.

Contact the FAO about the following situations when a child might still be your FTB child:

- The child is taken out of your care without your consent.
- You or the child are not in Australia.
- The child is under 18 years old and from another relationship of your partner.

The age-based criteria are as follows:

If the **child is under 18 years old**, one of the following three criteria must be met:

- You are legally responsible (or jointly legally responsible with another person) for the day-to-day care, welfare and development of the child.
- You are a person with whom the child is supposed to live or spend time with under a family law order, registered parenting plan or parenting plan that is in force for the child.
- The child is not in the care of anyone legally responsible for their day-to-day care, welfare and development.

If the **child is five years old or older and under 16 years old**, and they are not studying full time or engaged in a course of primary education, their adjusted taxable income (ATI) must be less than \$12,287.

If the **child is 16 years old or older and under 21 years old**:

- their ATI must be less than \$12,287, and
- the child, or someone on their behalf, must not receive any payments under a prescribed educational scheme for the child.

If the **child is 21 years old or older and under 25 years old**:

- the child must be undertaking full-time study
- their ATI must be less than \$12,287, and
- the child, or someone on their behalf, must not receive any payments under a prescribed educational scheme for the child.

For an explanation of ATI and its components, go to the 'Family assistance guide' at http://www.fahcsia.gov.au/guides_acts/fag/faguide-3/faguide-3.2.html

Negative test

If you satisfy the basic and age-based criteria above for a child on a day, that child is your FTB child on that day unless **all** of the following conditions apply:

- The child is also an FTB child of one or more other people with whom you share the care of the child.
- You made a claim for FTB in respect of the child for all or part of the income year.
- You are not the partner of someone in respect of whom the child is an FTB child.
- The FAO has determined that you care for the child for less than 35% of the time.

Incurred

You incur an expense in the income year when:

- you receive a bill or invoice for an expense that you are liable for and must pay (even if you don't pay it until after the end of the year), or
- you do not receive a bill or invoice but you are charged and you pay for the expense.

Partner

For the purpose of this question, your partner is a person of the opposite sex:

- with whom you are legally married or in a marriage-like relationship

- from whom you are not permanently separated, and
- who is not blood-related or under the age of consent.

Schooling requirement

If the student was enrolled or registered in a primary or secondary school course (at school, home or TAFE) and attended that course, or received the home schooling, for at least one day:

- between 1 July 2008 and 31 December 2008, then they met the schooling requirement for every day in that period
- between 1 January 2009 and 30 June 2009, then they met the schooling requirement for every day in that period
- in each of those two six-month periods, then they met the schooling requirement for the whole year.

You must meet one of the four following conditions for each student for whom you want to claim the ETR.

CONDITION 1: RECEIVING FTB PART A

On the day you or your partner incurred the expense in respect of the child, were you eligible to receive FTB Part A for that child?

If you are not sure whether you were eligible to receive FTB Part A for that child, contact the FAO (see **How to contact the FAO** on page 6).

YES ☐ Go to **Meeting the schooling requirement** in the next column.

NO ☐ Read **Condition 2: receiving payments other than FTB**.

CONDITION 2: RECEIVING PAYMENTS OTHER THAN FTB

You met this condition if, on the day you or your partner incurred the expense in respect of the child, that child was not your **FTB child** only because one of these payments¹ was paid for the child:

- a social security pension or benefit
- a Labour Market Program payment, or
- a prescribed educational scheme payment.

Did you meet this condition?

YES ☐ Go to **Meeting the schooling requirement** in the next column.

NO ☐ Read **Condition 3: child stops school**.

CONDITION 3: CHILD STOPS SCHOOL

You can meet this condition for the child only if:

- on the day you or your partner incurred the expense in respect of the child, the child was 16 years old or older and met the schooling requirement
- the child was not undertaking primary or secondary school studies on 30 June 2009, and
- you would have satisfied condition 1 or 2 for the child on the day the expense was incurred if the child had earned no income in the 2008–09 income year.

¹ These payments include:

- Youth Allowance
- disability support pension
- ABSTUDY living allowance
- payments under the Veterans' Children Education Scheme
- payments under the scheme to provide education and training under the *Military Rehabilitation and Compensation Act 2004*.

If you are not sure whether a payment for the child is one of these types of payment, contact the payer.

If all these criteria are satisfied the Commissioner will accept that you have met condition 3 when you or your partner incurred the expense.

Did you meet this condition?

YES ☐ Go to **Meeting the schooling requirement** below.

NO ☐ Read **Condition 4: independent student**.

CONDITION 4: INDEPENDENT STUDENT

You met this condition if, on the day you incurred the expense, you were under 25 years old and:

- you were receiving a social security pension or benefit, a Labour Market Program payment or a prescribed educational scheme payment¹
- you met the independence requirements for the payment
- you were an Australian resident (under the *Social Security Act 1991*) or a special category visa holder (under the *Migration Act 1958*)
- you were residing in Australia, and
- no one else, such as your parent or an approved care organisation, was entitled to the ETR for you.

Did you meet this condition?

NO ☐ You are not eligible for the ETR.

YES ☐ Read on.

MEETING THE SCHOOLING REQUIREMENT

Did the student meet the schooling requirement?

NO ☐ You are not eligible for the ETR.

YES ☐ Read on.

EDUCATION EXPENSES

Were the expenses you want to claim eligible education expenses?

NO ☐ You are not eligible for the ETR.

YES ☐ Read on.

ANSWERING THIS QUESTION

Use the following steps and worksheets to calculate your ETR, or go to **www.ato.gov.au** and use the ETR calculator there.

If you are an independent student go to **Completing worksheet 1** on the next page.

Before you can work out how much you can claim, you need to know whether you had an FTB agreed percentage or an FTB shared-care percentage for the child.

If both you and your partner met condition 2 or 3, you can make a written agreement with your partner stating which of you will claim the ETR. Otherwise, you will each have to claim half the ETR.

You have to use the ETR calculator at **www.ato.gov.au** if:

- you had an FTB shared-care or FTB agreed percentage that changed during the year
- you met condition 1 for a child during part of the income year and you met condition 2 or 3 for the same child during another part of the income year, or
- you and your partner met condition 2 or 3 unless
 - you had a written agreement that one of you would claim the ETR for every day in the year, or
 - you did not have a written agreement at all.

Completing worksheet 1

Complete **worksheet 1** to work out the maximum ETR you can claim (your ETR limit).

If you were an independent student, use any column in the worksheet and disregard any instruction that relates to a child.

If you have more than five children for whom you want to claim the ETR, use a separate piece of paper to continue your calculations.

Step 1

For a student who attended secondary school on a day during 2008–09, write **\$750** at (a). For a student who attended only primary school during 2008–09, write **\$375** at (a).

Step 2

Write at (b), for each student, the number of **eligible days** – that is, days when:

- you met any of the four conditions on page 3 with respect to the student **and**
- the student met the schooling requirement.

If both of the above dot points are satisfied for the whole income year, then write **365** at (b).

Step 3

- If you met condition 4, write **1** at (c).
- If you met condition 1 and had an FTB agreed percentage, write this percentage at (c) as a decimal (for example, write **0.65** not 65%).
- If both you and your partner met condition 2 or 3, and you do not have a written agreement with your partner, your agreed percentage is 50%. Write **0.5** at (c).
- Otherwise, your agreed percentage is 100%. Write **1** at (c).

Step 4

- If you met condition 4, write **1** at (d).
- If you and your partner **did not share the care** of the child with someone else, write **1** at (d).
- If you met condition 1, write your FTB shared-care percentage for the child at (d) as a decimal.
- If you met condition 2 or 3, work out the number of days that the child was with you and your partner during 2008–09 that were also eligible days (see step 2). Divide that number by the number of eligible days at (b) and write the answer at (d).

WORKSHEET 1: Working out your ETR limit

	Child 1	Child 2	Child 3	Child 4	Child 5	
Amount from step 1	\$	\$	\$	\$	\$	(a)
Number of eligible days						(b)
Agreed percentage						(c)
Shared-care percentage						(d)
Multiply (b) by (c) by (d).						(e)
Divide (e) by 365 (round to two decimal places).						(f)
Multiply (a) by (f).	\$	\$	\$	\$	\$	(g)
Add up all the amounts at (g) and round up to the next dollar.					\$	(h)

The amount at (h) is your ETR limit.

Work out the total eligible expenses you can claim the ETR for.

Step 5

If you were an independent student, add up all your eligible expenses and write the total at (p) in **worksheet 2**. Ignore rows (j) to (o) and complete (q). Go to step 7.

If you were single for the whole income year and you did not share the care of the child, add up all the eligible expenses that you incurred when you met condition 1, 2 or 3. Write the total at (p) in **worksheet 2**. Ignore rows (j) to (o) and complete (q). Go to step 7 on the next page.

Otherwise, read on.

Step 6

Add up all the eligible expenses that you and your partner incurred when you met condition 1. Write the total at (j) in **worksheet 2**.

Write at (k) in **worksheet 2** your FTB agreed percentage from (c) in **worksheet 1**.

Add up and write at (m) in **worksheet 2** all the eligible expenses that you and your partner incurred when:

- you both met condition 2 or 3, and
- you did not have a written agreement with your partner identifying who would claim the ETR.

Add up and write at (o) in **worksheet 2** all the eligible expenses that you and your partner incurred when:

- you both met condition 2 or 3, and
- you had a written agreement with your partner that you would claim the ETR.

WORKSHEET 2: Working out the total expenses you can claim the ETR for

Your expenses under condition 1	\$	(j)
Your FTB agreed percentage		(k)
Multiply (j) by (k).	\$	(l)
Your expenses under condition 2 or 3 without a written agreement	\$	(m)
Divide (m) by 2.	\$	(n)
Your expenses under condition 2 or 3 with a written agreement	\$	(o)
Add (l), (n), and (o).	\$	(p)
Divide (p) by 2 and round up to the next dollar.	\$	(q)

The amount at (q) is the maximum amount of eligible education expenses you may claim.

Work out the amount of your ETR.

Step 7

Transfer the amount from (h) in **worksheet 1** or (q) in **worksheet 2**, whichever is less, to **L** item **10** on the *Education tax refund for individuals 2009*.

If you transferred the amount from (q) in **worksheet 2** to **L** item **10**, go to step 9. Otherwise, read on.

Work out the excess eligible expenses you can carry forward to 2009–10.

Step 8

WORKSHEET 3: Working out the excess eligible expenses

Transfer (q) from worksheet 2 .	\$	(q)
Transfer (h) from worksheet 1 .	\$	(h)
Take (h) away from (q).	\$	(s)
Multiply (s) by 2.	\$	(t)

If the amount at (t) in **worksheet 3** is less than the amount at (p) in **worksheet 2**, then the amount at (t) is the amount you carry forward and include in your total eligible education expenses when working out your ETR for 2009–10, provided you are still eligible to claim the ETR in that year. Keep a record of the amount at (t).

If the amount at (t) in **worksheet 3** is greater than the amount at (p) in **worksheet 2**, then the amount at (p) is the amount you carry forward and include in your total eligible education expenses when working out your ETR for 2009–10, provided you are still eligible to claim the ETR in that year. Keep a record of the amount at (p).

Number of students

Step 9

Add up the number of primary school students you are claiming the ETR for and write the answer at **W** item **10** on the *Education tax refund for individuals 2009*.

Step 10

Add up the number of secondary school students you are claiming the ETR for and write the answer at **X** item **10** on the *Education tax refund for individuals 2009*.

HOW TO FILL IN YOUR EDUCATION TAX REFUND CLAIM

- Use a black pen.
- Print **X** in all applicable boxes.
- Print neatly using BLOCK LETTERS. (If you are mailing this claim and we cannot read your writing, we may have to contact you and this may delay the processing of your education tax refund claim.)
- Do not show cents anywhere on the claim.

Lodge your *Education tax refund for individuals 2009* by 31 October 2009.

CHECKLIST

Check that you have:

- completed all the other items on the claim
- provided totals (if more than zero) at **L**, **W** and **X** at item **10**
- signed and dated the declaration.

Do not attach payment summaries to your *Education tax refund for individuals 2009*.

HOW TO LODGE YOUR APPLICATION

Once you have completed and signed your application you can lodge it by phone or by post.

Lodging by phone will take you a few minutes and we will process your application within 14 days. We will process applications lodged by post within six weeks.

LODGING BY PHONE

You can lodge your completed *Education tax refund for individuals 2009* by phoning **13 28 65**.

This service is available 24 hours a day, seven days a week. To avoid busy periods, phone before midday, after 5.00pm or on weekends.

What is the phone lodgment service?

Phone lodgment uses speech recognition. Simply answer each question.

Your call will be recorded in case anything needs to be checked later.

How to lodge your education tax refund claim by phone

- 1 Complete the enclosed *Education tax refund for individuals 2009*, then read, sign and date the declaration.
- 2 When you phone to lodge you must have your completed *Education tax refund for individuals 2009* in front of you. Phone **13 28 65**.
- 3 Listen to each question asking for the information you have already written on your *Education tax refund for individuals 2009*.

Make sure you have listened to the whole question before you begin to answer. Speak naturally, as in normal conversation, there is no need to slow down.
- 4 The service refers to red block letters beside the boxes you fill in on your claim (for example, **L**) as 'label **L**'.
- 5 Listen carefully. You will be asked for confirmation on the amount you claim and the postcode you have provided.
- 6 If the service has trouble understanding your answer, you will be asked to repeat the information or to use the phone keypad instead.
- 7 If you don't understand a question, say 'help' and the service will give you more information. You may say 'repeat' if you have not understood the question. See **What if something goes wrong?** on the next page for more information.
- 8 Once you have successfully lodged your *Education tax refund for individuals 2009*, you will be given a receipt number at the end of your call. **Write the receipt number on your education tax refund claim.** This receipt number is your official acknowledgment that you have lodged your education tax refund claim.

This is the only information you will be given.

Important

Once you have lodged your *Education tax refund for individuals 2009* over the phone and received a receipt number, you can't lodge your education tax refund claim again.



STOP

Do not send us the paper copy of your *Education tax refund for individuals 2009* if you have lodged by phone and received a receipt number. Keep it for your records.

What if something goes wrong?

If you don't understand a question, say 'help' and the service will give you more information.

If you experience difficulties using the service, or have any feedback, phone us on **13 28 61**.

What if I get cut off or I cannot complete my lodgment?

If you cannot complete your lodgment you can phone again and reuse the details from your earlier phone call. To update personal details, phone **13 28 61**.

What if the service doesn't understand me?

If the service doesn't understand you:

- try saying the information in a different way, for example, saying the amount of \$1,235 can be either 'one, two, three, five dollars' or 'one thousand, two hundred and thirty-five dollars'
- use a fixed landline phone. Our service may have trouble understanding you if you are using a cordless or mobile phone because of interference. Alternatively you may use your phone keypad.

What if I have made a mistake on my claim?

If after you get your receipt number, you realise that you made a mistake or omitted some information, you will need to correct it as soon as possible by requesting an amendment.

How do I know I have finished?

You have finished lodging your education tax refund claim only when you have been issued with a receipt number.

LODGING BY MAIL

Send your completed *Education tax refund for individuals 2009* to:

**AUSTRALIAN TAXATION OFFICE
GPO BOX 9845
IN YOUR CAPITAL CITY**

The address must appear on your envelope exactly as shown above. Do not replace the words IN YOUR CAPITAL CITY with the name of your capital city. Because of a special agreement with Australia Post there is no need for you to include the name of your capital city or a postcode.

KEEP YOUR RECORDS

You must keep your records, usually for **five years**, unless you are subject to the shorter period of review.

If lodging by mail, you should first make a copy of your completed *Education tax refund for individuals 2009* for your records.

If lodging by phone, keep your completed *Education tax refund for individuals 2009* and the receipt number with your records.

HOW TO CONTACT THE FAO

For advice on family tax benefit, you can contact the FAO by any of the following means.

- Visit their website at **www.familyassist.gov.au**
- Phone **13 61 50** between 8.00am and 8.00pm (local time), Monday to Friday.
- Visit your nearest FAO. Offices are located in Medicare offices and Centrelink customer service centres.
- Phone **13 12 02** if you don't speak English well.
- Use a teletypewriter (TTY) service **1800 810 586** if you have a hearing or speech impairment (this service is only available via a teletypewriter).

OUR COMMITMENT TO YOU

We are committed to providing you with guidance you can rely on, so we make every effort to ensure that our publications are correct.

If you follow our guidance in this publication and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we must still apply the law correctly. If that means you owe us money, we must ask you to pay it but we will not charge you a penalty. Also, if you acted reasonably and in good faith we will not charge you interest.

If you make an honest mistake in trying to follow our guidance in this publication and you owe us money as a result, we will not charge you a penalty. However, we will ask you to pay the money, and we may also charge you interest.

If correcting the mistake means we owe you money, we will pay it to you. We will also pay you any interest you are entitled to.

If you feel that this publication does not fully cover your circumstances, or you are unsure how it applies to you, you can seek further assistance from us.

We regularly revise our publications to take account of any changes to the law, so make sure that you have the latest information. If you are unsure, you can check for a more recent version on our website at **www.ato.gov.au** or contact us.

This publication was current at **June 2009**.

Do you want your refund paid directly into your financial institution account?

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W

X		
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Date / /

- The tax law imposes heavy penalties for giving false or misleading information.

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Date / /

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