NOT FOR SALE

# TAXpack 2002 for retirees

Australian Taxation Office

**Are you eligible to use *TaxPack 2002 for retirees*?**
***SEE PAGE 2***

**Lodge your tax return by 31 October 2002**

**www.ato.gov.au**

Choose ***e-tax*** for a faster refund
***SEE PAGE 7***

e-tax
Australian Taxation Office

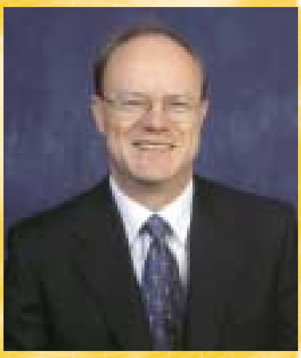
NAT 2596—6.2002

# Commissioner's **guarantee**

## The Commissioner offers you the following protections if you use *TaxPack 2002 for retirees* properly:

- As a *TaxPack 2002 for retirees* user you will not be expected to know more than we have presented to you in *TaxPack 2002 for retirees* and its related publications.
- We have made every effort, including consultation with tax professionals outside the Australian Taxation Office, to make sure that *TaxPack 2002 for retirees* is accurate. Nevertheless, if something is misleading and you make a mistake as a result, we will not charge you a penalty or general interest charge (GIC) on any missing tax.
- If you use *TaxPack 2002 for retirees* properly and make an honest mistake, my staff, including my auditors, will accept that you have honestly described your tax affairs. We will not charge you a penalty, although we may ask you to pay GIC on any missing tax.

Naturally, if you don't use *TaxPack 2002 for retirees* properly when you prepare your tax return, you are not covered by these protections.



**Michael Carmody**
**Commissioner of Taxation**

## Using *TaxPack 2002 for retirees* properly means you must:

- have on hand all your necessary documentation and records for the 2001–02 income year (1 July 2001 to 30 June 2002)
- read all the preliminary pages—they provide valuable information ranging from whether you need to lodge a tax return at all, to how you can get a faster refund
- read each question caption carefully and
  - if it does not apply to you, go to the next question
  - if it does apply to you, read the question carefully so that you provide the required details on your tax return
- make sure that you complete the Medicare levy surcharge question (25) which applies to all taxpayers
- be aware of the Index at the back of *TaxPack 2002 for retirees*—it can help you to find information that is relevant to your circumstances
- use the checklist on page 81 before you lodge your tax return.

*TaxPack 2002 for retirees* has been prepared to help you complete your tax return correctly—see **Self-assessment—it's your responsibility** on page 8.

There is a *Taxpayers' Charter* which sets out your rights and obligations along with the service and other standards you can expect from us. For more information see page 88.

# WHAT IS *TAXPACK 2002* FOR RETIREES?

*TaxPack 2002 for retirees* is a guide to help you complete your *2002 tax return for retirees* for the 2001–02 income year—1 July 2001 to 30 June 2002. Extra copies are available from ATO*access* sites or ring the Personal Tax Infoline on the inside back cover.

There are 2 copies of the tax return at the back of *TaxPack 2002 for retirees*. An envelope for lodgment is also provided. The tax return for retirees cannot be lodged through the ***TAX**PACK**EXPRESS*** service at a post office.



# Contents



**Dates to remember:**

- **2001–02 income year**—1 July 2001 to 30 June 2002
- **31 October 2002**—date for lodgment of your **tax return**, unless you have been given a deferral of time to lodge your tax return or it is prepared by a registered agent
- **21 November 2002**—the earliest date any tax payable will be due

If your tax return is lodged on time, any tax payable will be due on the later of 21 days after you receive your notice of assessment or 21 days after your tax return was due to be lodged.

# ARE YOU ELIGIBLE TO USE *TAXPACK 2002 FOR RETIREES?*

## information

### You are eligible to use *TaxPack 2002 for retirees* to fill in your tax return if:

- you were an Australian resident for tax purposes from 1 July 2001 to 30 June 2002 AND
- you had no dependants other than a spouse during the period 1 July 2001 to 30 June 2002 AND
- all of your tax affairs are covered by the questions in *TaxPack 2002 for retirees* as listed below.

**NOTE** You cannot use *TaxPack 2002 for retirees* if any of the questions listed on the next page apply to you. You must use *TaxPack 2002* and/or *TaxPack 2002 supplement*.

New thin capitalisation rules have been introduced—see **Messages** on page 9. If they apply to you, do not use *TaxPack 2002 for retirees*—use *TaxPack 2002*.

### Are you an Australian resident?

Generally, the Australian Tax Office (ATO) considers you to be an Australian resident for tax purposes if:

- you have always lived in Australia or you have come to Australia and live here or
- you have actually been in Australia for more than half of 2001–02—unless your usual home is overseas and you do not intend to live in Australia.

If you go overseas temporarily and you do not set up a permanent home in another country, you may continue to be treated as an Australian resident for tax purposes.

If you need help in deciding whether or not you are an Australian resident for tax purposes, ring the Personal Tax Infoline on the inside back cover.

## WHAT'S IN *TAXPACK 2002 FOR RETIREES*

### *Income*

- **Commonwealth of Australia government pensions and allowances**
- **Other Australian pensions or annuities—including superannuation pensions**
- **Foreign source pension or annuity income**
- **Salary, wages, allowances, earnings etc.**
- **Total reportable fringe benefits amounts**
- **Gross interest**
- **Dividends—NOT including distributions made by a corporate limited partnership and deemed dividends from a private company**

### *Deductions*

- **Financial Institutions Duty and subscriptions**
- **Interest and dividend deductions**
- **Gifts or donations**
- **Deductible amount of undeducted purchase price (UPP) of an Australian pension or annuity**
- **Deductible amount of undeducted purchase price (UPP) of a foreign pension or annuity**
- **Cost of managing tax affairs**

### *Tax offsets*

- **Spouse—married or de facto**
- **Senior Australians**
- **Superannuation annuity and pension**
- **30% private health insurance**
- **20% tax offset on net medical expenses over $1250**

### *Private health insurance policy details*

### *Medicare levy related items*

- **Medicare levy reduction or exemption**
- **Medicare levy surcharge—this question is compulsory for all taxpayers**

**IMPORTANT:** If you are claiming family tax benefit through the tax system, or the baby bonus, you cannot use *TaxPack 2002 for retirees*—you should use *e-tax* at <**www.ato.gov.au**> or *TaxPack 2002*.

# information

If any of the questions on this page apply to you, you cannot use *TaxPack 2002 for retirees*—use *TaxPack 2002*. If any of the questions in the right-hand column apply, you must use both *TaxPack 2002* and *TaxPack 2002 supplement*.

## WHAT'S IN *TAXPACK 2002*

### Income

- Attributed personal services income
- Commonwealth of Australia government allowances and payments like Newstart, youth allowance and austudy payment
- Dividends—distributions received from a corporate limited partnership and deemed dividends from a private company
- Eligible termination payments
- Lump sum payments

### Deductions

- Deduction for project pool
- Low value pool deduction
- Work related car expenses
- Work related self-education expenses
- Work related travel expenses
- Work related uniform, occupation specific or protective clothing, laundry and dry cleaning expenses
- Other work related expenses (Financial Institutions Duty and subscriptions are included in *TaxPack 2002 for retirees.*)

### Losses

- Tax losses of earlier income years claimed this income year

### Tax offsets

- Spouse (without dependent child or student) child-housekeeper or housekeeper
- Superannuation contributions

### Adjustments

- Amount on which family trust distribution tax has been paid
- Amount on which ultimate beneficiary non-disclosure tax was payable
- Part-year tax-free threshold
- Under 18 excepted net income

## IF YOU CANNOT USE *TAXPACK 2002 FOR RETIREES* WHICH *TAXPACK* SHOULD YOU USE?

## WHAT'S IN *TAXPACK 2002 SUPPLEMENT*

### Income

- Bonuses from life insurance companies and friendly societies
- Capital gains or losses—for example, on disposal of assets*
- Deferred non-commercial business losses*
- Foreign entities
- Foreign source income, assets or property (foreign source pensions and annuities are included in *TaxPack 2002 for retirees*)
- Net farm management deposits or withdrawals
- Net income or loss from business*
- Partnerships and trusts
- Personal services income*
- Rent
- Other income—for example, royalties and lump sum payments in arrears

### Deductions

- Australian film industry incentives*
- Non-employer sponsored superannuation contributions—generally for the self-employed
- Other deductions—for example, foreign exchange losses and sickness and accident insurance premiums

### Tax offsets

- Landcare and water facility
- Parent, spouse's parent or invalid relative
- Superannuation contributions on behalf of your spouse
- Zone or overseas forces
- Other tax offsets—for example, heritage conservation work

### Credit for interest on tax paid

- Credit for interest on early payments—amount of interest

* This question has a related publication which you must read before you can complete the question. The details are explained at the relevant question.

### Do you want to lodge your tax return electronically?

You may consider using *e-tax* to lodge your tax return over the Internet. *e-tax* is available free from the ATO—see page 7 for more information. You may also lodge your tax return electronically using the ***TAX**PACK**EXPRESS*** service at a post office or at the office of a participating registered tax agent. **You cannot lodge your tax return through the *TAX*PACK*EXPRESS* service using *TaxPack 2002 for retirees*—use *TaxPack 2002*.**

## WHAT ARE YOUR CHOICES FOR DOING YOUR TAX RETURN?



### You can do it yourself using *TaxPack 2002 for retirees*

Just proceed through this guide and follow the instructions. Make sure you lodge your tax return by 31 October 2002.

### Use *e-tax* and lodge your income tax return over the Internet

*e-tax* will help you to prepare your income tax return easily, quickly and securely using the Internet. *e-tax* will ask you questions and complete your tax return based on your answers. Your tax refund or tax debt will then be calculated for you. Most tax returns lodged using *e-tax* are processed within 14 days. So, if you are eligible for a refund, you will receive it quickly. If you have a tax debt, you still have until 21 November to pay. Visit the Australian Taxation Office website at <**www.ato.gov.au**> and lodge your tax return using *e-tax*.

### Someone else can do it for you

**Family member or friend**

A family member or friend can help you but they cannot charge you a fee.

**Tax Help—Community volunteers**

Tax Help is a network of community volunteers, trained to help people prepare their tax returns or claims for a refund of imputation credits.

This **free service** is available for people on low incomes—including those who are also seniors, people from non-English-speaking backgrounds, people with a disability, Aboriginal people or Torres Strait Islander people and students. See page 16 for more information.

**Registered tax agents**

Only a **registered** tax agent can prepare and lodge your tax return for a tax deductible fee. If you did not go to a tax agent last year—or you will be going to a different tax agent this year—make sure that you see them before 31 October 2002. Lists of registered tax agents can be found at <**www.tabd.gov.au**>, or you can check with the Tax Agents' Board on **1300 362 829**.

CAUTION: Even if someone else—a family member, friend or tax agent—helps you to prepare your tax return, you are still legally responsible for the accuracy of the information. See **Self-assessment—it's your responsibility** on page 8.

**Signing your tax return**

**You** must sign and date the *Taxpayer's declaration* on page 6 of your tax return to confirm that it is true and correct. Someone else may sign your tax return on your behalf if they have authority to do so under a power of attorney.

# CHOOSE *e-tax*—MOST REFUNDS IN LESS THAN 14 DAYS


## *e-tax*—Australian Taxation Office easy tax return preparation and lodgment software

**All you need is access to a computer and the Internet.**

*e-tax* will take you through an on-screen interview, complete your tax return and give you an estimate of your personal income tax refund or tax debt. And most tax returns lodged using *e-tax* are processed within 14 days.

**Last year over 280 000 taxpayers lodged their tax returns using *e-tax*.**

**What you need to know about *e-tax*:**

*e-tax* is free.

*e-tax* is secure.

*e-tax* makes tax return completion easy.

Many of the calculations are done for you—automatically.

All the extra information you may need is built into the Help files.

**What you need to do to find *e-tax*:**

Just log on to <**www.ato.gov.au**> and click on 'For Individuals' then select e-tax

Australian Taxation Office

***www.ato.gov.au***

The Australian Taxation Office (ATO) requires the information you provide on page 1 of your tax return to start processing your tax return. It is important that you complete this page accurately to avoid delays.

Many of the items on page 1 of your tax return relate to your personal details and need no explanation. But below is some additional information on the tax related items to help you complete them. If you need further help, ring the Personal Tax Infoline on the inside back cover.

## Your tax file number (TFN)

**If you already have a TFN**, you can find it on your last notice of assessment or your payment summary from your employer or other payer.

**If you do not have these documents**, to find out your TFN ring the Personal Tax Infoline on the inside back cover. We will ask you to provide information confirming your identity and we will post your TFN to you—**we cannot provide TFNs over the telephone**.

If you have changed your postal address and you want to find out your TFN, you can advise your new address details by telephone if you can provide information that confirms your identity. If you are unable to confirm your identity, write to us with your request and your new address. We will then post your TFN to you.

**If you do not have a TFN**, ring the Personal Tax Infoline on the inside back cover to get a *Tax file number application or enquiry* (NAT 1432—2.2002). With your application you will need to provide original, unaltered documents showing proof of your identity. You will find a list of appropriate proof of identity documents on the application.

## Will you need to lodge an Australian tax return in the future?

This may be your last tax return if:

- your annual taxable income in the future will be below the tax-free threshold—$6000 for 2002–03—or
- your only source of income in the future will be a Commonwealth of Australia government pension or
- you are moving overseas permanently or
- you become eligible for the Senior Australians tax offset in the income year 2002–03, and your taxable income is below the threshold for lodging a tax return—for threshold levels and eligibility for 2001–02, see pages 4 and 52–3.

## Deceased estate—are you looking after the estate of someone who died during the year?

**Page 4 will tell you if a tax return is required.**

If **yes**, prepare a final tax return for the income year up to the date of death.

Print DECEASED ESTATE on the top of page 1 of the tax return and print **X** in the **NO** box at **Will you need to lodge an Australian tax return in the future?** The executor or administrator of the estate must sign the tax return on behalf of the deceased person and send it with a copy of the death certificate to the ATO.

Certain types of income received after the date of death may need to be shown in a trust tax return. If you have any questions, ring the Personal Tax Infoline on the inside back cover.

If a tax return is **not** required, complete the *2002 non-lodgment advice* on page 5 and send it with a copy of the death certificate to the ATO.

## Electronic funds transfer (EFT)

### Direct refund

By using EFT the Australian Taxation Office (ATO) can deposit your tax refund directly into the Australian bank, credit union or building society account of your choice. EFT gives you quicker access to your money. Direct refund is not available on the full range of accounts. If you are in doubt, check with your financial institution.

**IMPORTANT:** Be careful to provide the correct account details—if you provide another person's account details, your refund will be sent to that account.

If you used EFT last year and the account details you provided are correct there is no need to provide them again. Go to page 12. Otherwise, go to step 1. If you would like to use EFT print **X** in the **YES** box on page 1 of your tax return at the question **Do you want to use electronic funds transfer (EFT) for your refund this year?**

**Step 1** Write the bank state branch (BSB) number. This is a 6-digit number that identifies the financial institution. The BSB number can be found on an account statement or a cheque form.

If you do not know the BSB number, or it has fewer than 6 digits or is for a credit union account, check with the financial institution. Do not include spaces, dashes or hyphens in the BSB number.

**Step 2** Write the account number as shown on the account records. An account statement, cheque book or other document from the financial institution will show this information. You cannot use an account number longer than 9 characters. Contact your financial institution if you need to check that an account is suitable for direct refund. Do not include spaces in the account number.

**Step 3** Print the account name—also called account title—as shown on the account records. Include a space between each word and between any initials in the account name. Do not print the account type—for example, savings, cheque, mortgage offset.

If your name is John Q Citizen, you might have an account with the account name shown as JQ Citizen or John Q and Mary Citizen or another variation.

If you need any more information about using EFT for direct refund, ring the EFT helpline on **1800 802 308**.

### Direct debit

If you have a tax debt your notice of assessment will show a due date for payment. If you want to pay using EFT direct debit, ring the EFT helpline on **1800 802 308**.

If you have provided a *Direct debit request*, but the notice of assessment does not state that the payment will be debited from your account, ring the EFT helpline.

Exempt income is not included in your tax return as income. These payments are not shown as 'taxable' on your payment summary.

The most common types of exempt income are listed here.

**For information on the type of payment you received, contact the agency or person that paid you.**

**NOTE**

*Superannuation Act 1976* and *Defence Forces Retirement Benefits Act 1948* pensions and payments are taxable. Show them on your tax return at item **2**.

## Exempt Commonwealth of Australia government pensions, allowances and payments

**Pensions**

- carer payment where both the carer and either the care receiver or all of the care receivers are under age pension age or the carer is under age pension age and any of the care receivers has died
- disability support pension paid by Centrelink to a person who has not reached age pension age
- invalidity service pension where the veteran is under age pension age
- partner service pension where both the partner and the veteran are under age pension age and the veteran receives an invalidity service pension or the veteran has died and received an invalidity service pension at the time of death
- Veterans' Affairs disability pension and allowances, war widow's and war widower's pension
- wife pension where both the recipient and partner are under age pension age or the recipient is under age pension age and the partner has died

**Other payments**

- aged persons savings bonus
- carer allowance paid under the *Social Security Act 1991*
- disaster relief payment
- lump sum pension bonus paid under the *Social Security Act 1991* or the *Veterans' Entitlements Act 1986*
- payments from the Commonwealth under the incentives payments scheme relating to certain private health insurance policies
- pensioner education supplement and fares allowance paid by Centrelink
- pharmaceutical allowances paid under the *Social Security Act 1991* or the *Veterans' Entitlements Act 1986*
- remote area allowance
- rent assistance
- self-funded retirees supplementary bonus
- telephone allowance paid under the *Social Security Act 1991* or the *Veterans' Entitlements Act 1986*
- the $300 one-off payment for Senior Australians announced in the 2001 Federal Budget
- Veterans' Affairs loss of earnings allowance

## Other exempt payments

- Japanese internment compensation payments made under the *Compensation (Japanese Internment) Act 2001* or the *Veterans' Entitlements Act 1986*
- Mortgage and Rent Relief Scheme payments
- spouse maintenance payments

**NOTE** If you received a Commonwealth of Australia government payment during 2001–02 and are unsure if it is exempt income, ring the Personal Tax Infoline on the inside back cover.

# Question 1 COMMONWEALTH OF AUSTRALIA GOVERNMENT PENSIONS AND ALLOWANCES

**Did you receive a Commonwealth of Australia government:**
- **age pension**
- **age service pension**
- **invalidity service pension and you have reached age pension age**
- **partner service pension**
- **widow B pension**
- **bereavement allowance**
- **mature age allowance and you were granted the allowance before 1 July 1996 (if you were granted the allowance on or after 1 July 1996 you are not eligible to use *TaxPack 2002 for retirees*—you need to use *TaxPack 2002*)**
- **mature age partner allowance**
- **disability support pension and you have reached age pension age**
- **income support supplement**
- **wife pension**
- **carer payment?**

Show your income from these payments here unless your payment was exempt. Check page 12 if you are not sure.

Show Superannuation Act and Defence Forces Retirement Benefits Act pensions and payments at question **2**. Show foreign pensions at question **3**.

**NO** Go to question **2**. **YES** Read below.

**IMPORTANT**
- Group certificates are now payment summaries.
- A tax instalment deduction is now tax withheld.
- Salary, wages and bonuses are payments received.
- Employers are payers.
- Employees are payees.

**Question** **How do you know how much pension or allowance you received?**

**Answer** The government agency that paid you will provide you with a *PAYG payment summary—individual non business* or a letter giving details of your pension, allowance or payment. These show you the amount you received and whether tax was withheld. If you have not received these, or you have lost them, contact the agency that paid you.

## Completing this question

**Step 1** Add up all the amounts of tax withheld as shown on your payment summaries or letters. Write the total amount of tax withheld at the left of **B** item **1** on your tax return. Do not show cents.

**Step 2** Add up all the taxable Commonwealth of Australia government pension or allowance income you received. Write the total amount at **B** item **1** on your tax return. Do not show cents.

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

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

We work out your tax offset entitlement based on:

- the tax offset code letter you print at item **1** on page 2 of your tax return

**AND**

- the veteran code letter you print at item **1** on page 2 of your tax return if you or your spouse is a veteran, war widow or war widower

**AND**

- the Senior Australians tax offset code letter you print at item **19** on page 3 of your tax return if you are eligible for the Senior Australians tax offset (see pages 52–3).

If you do not print the correct code letter(s) on your tax return, you may not receive your correct entitlement.

**Step 3** Work through the **TAX OFFSET CODE LETTERS** table below and find the tax offset code letter that applies to your circumstances.

**NOTE** 'Had to live apart due to illness' is a term that relates to the payment of pensions. This would apply to you if you were paid the pension at a higher rate because you were separated due to illness. If you are unsure, check with Centrelink or the Department of Veterans' Affairs.

## TAX OFFSET CODE LETTERS

### Standard circumstances

If at any time during 2001–02 while you were receiving a Commonwealth of Australia government pension or allowance listed at this question :

- you were single, widowed or separated **S**
- you and your spouse—married or de facto—lived together **P**
- you and your spouse—married or de facto—had to live apart due to illness or either of you was in a nursing home **I**

### Exceptional circumstance

If you are a social security recipient (Centrelink) and immediately BEFORE 12 March 1992:

- you were receiving a Commonwealth of Australia government pension or allowance listed at this question AND
- you had a spouse—married or de facto—AND
- your spouse was NOT receiving any of the Commonwealth of Australia government pensions or allowances listed at this question, any exempt pensions listed on page 12 or any of the following allowances and payments:
  - parenting payment (partnered)
  - Newstart allowance
  - youth allowance
  - mature age allowance and you were granted the allowance on or after 1 July 1996
  - partner allowance
  - sickness allowance
  - special benefit
  - widow allowance
  - austudy payment, AND
- these conditions have applied continuously since then **S**

If you do not meet **all** these conditions, **Standard circumstances** above apply to you.

## Question What if more than one code letter in the tax offset code letters table applies to you?

**Answer** If more than one code letter applies to you:

- If both **I** and **P** apply to you, use **I**.
- If **S**, **I** and **P** all apply to you, use **J**.
- If both **S** and **I** apply to you, use **J**.
- If both **S** and **P** apply to you, use **Q**.

**Step 4** Print your code letter in the TAX OFFSET CODE box at the right of B item **1** on your tax return.

**Step 5** If you or your spouse is a veteran, war widow or war widower (see definition on page 52), read on. Otherwise go to step 7.

From the following list, select the veteran code that applies to your circumstances:

- you are a veteran, war widow or war widower **V**
- your spouse is a veteran, war widow or war widower **W**
- you are a veteran, war widow or war widower AND your spouse is a veteran, war widow or war widower **X**

If all of the codes apply, select **X.**

**Step 6** Print your veteran code in the **VETERAN CODE BOX** at Y item **1** on your tax return.

**Step 7** If you have used tax offset code letter **S**, go to step 8.

If your tax offset code letter is **P**, **Q**, **I** or **J** you must complete **Spouse details—married or de facto** on page 5 of your tax return. Provide relevant details including:

- your spouse's date of birth at K
- your spouse's taxable income at O—if this amount is zero, write '**0**'
- your spouse's share of trust income on which the trustee is assessed under section 98, if it is not already included in your spouse's taxable income, at T—if this amount is zero, write '**0**'
- your spouse's government pensions, shown at this question, at P—if this amount is zero, write '**0**'
- your spouse's exempt pension at Q—if this amount is zero, write '**0**'.

You must also complete **Your spouse's name** on page 1 of your tax return.

If both you and your spouse—married or de facto—are eligible for the Senior Australians tax offset or pensioner tax offset and either of you do not fully use your tax offset any unused tax offset may be available for transfer to the other person. By using the amounts you write on the spouse details section of your tax return, we will work out if you are entitled to have the unused portion of your spouse's tax offset transferred to you. If an unused amount is available, we will make sure it is taken into account in working out your tax offset.

**NOTE** In working out if there is any unused spouse's Senior Australians or pensioner tax offset available for transfer, your spouse's other credits are not taken into account.

**Step 8** Attach your letter and/or your ‘Payee’s Tax Return copy’ of your payment summary to page 3 of your tax return.

> **Example**
>
> Stan is a veteran and lives with his wife who is not a veteran. Stan receives a service pension in addition to other income. In 2001–02 Stan received a pension of $6200—he did not have any tax withheld.

Stan fills in item **1** on his tax return like this:

**1 Commonwealth of Australia government pensions and allowances**

Tax withheld: ,  ·00

Income—do not show cents: **B** 6,200·~~00~~ TAX OFFSET CODE: P

If you had a spouse during 2001–02 complete **Spouse details—married or de facto** on page 5.

You may be able to get a tax offset if you have income at item **1**. To get a tax offset, write your correct tax offset code letter here.

**Y** VETERAN CODE: V

**Question** **Do you want to work out your tax offset?**

**Answer** You do not have to work out your tax offset. We will work it out for you from your taxable income details and your tax offset code letter. Make sure you print your code letter at the right of **B** item **1** on page 2 of your tax return.

If you do want to work out your tax offset, go to pages 93–4.

## Tax Help
SERVING THE COMMUNITY

### ARE YOU ON A LOW INCOME?
### FREE HELP WITH YOUR TAX RETURN

If you want to complete your own tax return or your application for a refund of imputation credits—and you are a low income earner—but think you may need some assistance, then Tax Help may be the answer.

Our network of community volunteers are trained and supported by the Australian Taxation Office to help you.

Tax Help is a free and confidential service. Many low income earners who use Tax Help are seniors, people from non-English speaking backgrounds, people with a disability, Aboriginal people, Torres Strait Islander people, and students.

Volunteers can explain your tax obligations and help you prepare your tax return accurately. They can help people with income from Australian and overseas pensions, salary or wages, interest, dividends and government allowances and benefits. Volunteers cannot help with your more complex tax affairs such as rental properties and business income.

There are Tax Help centres throughout Australia. If you want to visit one of the trained volunteers you need to make an appointment first. You need to bring a *TaxPack 2002 for retirees* and all relevant papers with you when you visit.

For more information, or to find out where your nearest Tax Help centre is, ring the Personal Tax Infoline on **13 2861**.

# Question 2

## OTHER AUSTRALIAN PENSIONS OR ANNUITIES

**Did you receive any income from an Australian annuity or from a superannuation or other pension not listed at question 1?**

Show age, service or other Commonwealth of Australia government pensions or allowances at question **1**. Show pensions or annuities paid from overseas at question **3**. Exempt pensions as listed on page 12 are not taxable and should not be shown on your tax return.

**NO** Go to question **3**. **YES** Read below.

**Australian pensions and annuities include:**

- superannuation and similar pensions and annuities paid to you by an Australian superannuation fund, retirement savings account (RSA) provider, registered organisation or life assurance company
- pensions paid by a fund established for the benefit of Commonwealth, State or Territory employees and their dependants—for example, ComSuper, Qsuper, VicSuper and other equivalent State superannuation funds.

The company, superannuation fund or RSA provider that pays your pension will give you a *PAYG payment summary—individual non business* or statement showing how much you were paid and the tax withheld.

If you have not received your payment summary or statement, or you have lost it, contact your payer to obtain a copy.

**NOTE** Superannuation funds and RSA providers can use tax file numbers (TFNs) to keep track of superannuation benefits. If you have not given your TFN to your fund or RSA provider, a greater rate of tax may be withheld from your benefit. You can ring or write to your fund or RSA provider, and quote your TFN.

### Completing this question

**Step 1** Print the type of pension or annuity—for example, 'superannuation pension' or 'annuity'—in the **Type** box at item **2** on your tax return. If you received more than one type, print the type that gave you the largest amount of income.

**Step 2** Add up all the tax withheld amounts as shown on your payment summaries and statements and write the total amount at the left of **J** item **2**. Do not include amounts already shown at item **1**.

**Step 3** Add up all the gross amounts shown on your payment summaries and statements and write the total amount at **J** item **2**. Do not show cents.

**Step 4** Attach your tax return copy of all payment summaries and statements to page 3 of your tax return.

**Example**

Roberta received a yearly pension of $15 000 from the Sold Rock pension scheme. Sold Rock withheld $1402.00 in tax from Roberta's pension.

Roberta fills in item **2** on her tax return like this:

| | | | |
|---|---|---|---|
| **2** | **Other Australian pensions or annuities—including superannuation pensions** | Tax withheld | |
| Type | SUPERANNUATION PENSION | 1,402·00 | **J** 15,000·~~00~~ |

**Undeducted purchase price**

If your pension or annuity has an undeducted purchase price, you may be able to reduce the amount of pension or annuity income on which you must pay tax by claiming a deduction at item **13** on your tax return.

Read the information on pages 40–2 to find out more about the undeducted purchase price.

**Senior Australians tax offset**

You may be entitled to a Senior Australians tax offset. Read pages 52–6 to find out more about this tax offset.

**Superannuation annuity and pension tax offset**

You may be entitled to a tax offset for your pension or annuity. Read question **20** on pages 57–9 to find out more about this tax offset.

## Did you receive income from a foreign pension or annuity?

If you received in 2001–02:

- any foreign income other than a foreign pension or annuity or
- a foreign pension or annuity from which tax has been taken and for which you want to claim a foreign tax credit or
- a foreign pension or annuity in relation to which you have incurred interest or other debt deductions for which you wish to claim a deduction
- a lump sum foreign pension payment for an earlier year

use *TaxPack 2002* and *TaxPack 2002 supplement*. **You cannot complete your tax return using *TaxPack 2002 for retirees*.**

**NO** Go to question **4**. **YES** Read below.

Most foreign pensions and annuities are taxable in Australia, even if tax has been taken from your payment by the country that paid you. If you are unsure whether your pension or annuity is taxable in Australia, ring the Personal Tax Infoline on the inside back cover.

**NOTE** If the country paying your pension or annuity has taken tax from your payment, and the pension or annuity is also taxable in Australia, you may claim a foreign tax credit using *TaxPack 2002 supplement* where you are not entitled to seek a refund of the foreign tax paid from the country that paid you. This refund may follow under the terms of an agreement between Australia and that country to prevent double taxation.

If you are unsure whether your pension or annuity is subject to an agreement, ring the Personal Tax Infoline on the inside back cover.

**Question** **Do you need to convert your foreign pension or annuity to Australian dollars?**

**Answer** All of your foreign pension or annuity income must be converted to Australian dollars. The easiest way to do this is to add up all the converted payments shown in your passbook or bank statement.

If you are unable to do this, you can use either of the following methods to convert your pension or annuity amount into Australian dollars:

- use the average exchange rate for the year the pension or annuity was paid or
- use the exchange rate that applied at the time you received each payment. To find out the correct exchange rates, ring the Personal Tax Infoline on the inside back cover.

## Completing this question

**Step 1** You must add back the amount of foreign tax paid, if any, to the amount of pension or annuity you received. Write this gross amount of foreign pension or annuity you received at **E** item 3 on your tax return. Do not show cents.

**Step 2** Take away the amount of any deductible expenses (other than interest or debt deductions) you incurred in relation to your gross foreign pension or annuity. The amount remaining is called your net taxable foreign pension or annuity.

Do not take away any deductible amount of undeducted purchase price (UPP). If your pension or annuity has a deductible amount of UPP, you may be able to reduce the amount of pension or annuity that you will pay tax on. Read pages 40–2 and question **14** on pages 44–5 for further information.

If your pension or annuity never had an undeducted purchase price (UPP) go to step 3. If your pension or annuity has or had a UPP, go to step 4 on the next page.

### Foreign pension or annuity WITHOUT an undeducted purchase price

**Step 3** Write the amount of your net taxable foreign pension or annuity without a UPP at **L** item **3**. Do not show cents. Your tax return will already have the correct code printed in the code box at item **3**.

**Example 1**

Lucy receives a foreign pension. She had no deductible expenses in relation to this pension and her pension has no UPP entitlement. Each month's payments were converted into Australian dollars and paid into her bank account. To work out how much overseas pension she received, Lucy adds up the amounts paid in each month and finds they total $5675.

Lucy fills in item **3** on her tax return like this:

**3 Foreign source pension or annuity income**

Assessable foreign source income **E** 5,675.00

Net foreign pension or annuity income WITHOUT an undeducted purchase price **L** 5,675.00 CODE BOX P

Net foreign pension or annuity income WITH an undeducted purchase price **D** .00

### Foreign pension or annuity WITH an undeducted purchase price (UPP)

**Step 4** Write the amount of your net taxable foreign pension or annuity with a UPP at **D** item **3**. Do not show cents.

> **Example 2**
>
> Gino receives an Italian pension and incurred no deductible expenses. He has converted his pension income into Australian dollars, which totals $6730. Gino is also entitled to claim a UPP deduction at question **14**.

Gino fills in item **3** on his tax return like this:

**3 Foreign source pension or annuity income**

Assessable foreign source income **E** 6,730.~~00~~

Net foreign pension or annuity income WITHOUT an undeducted purchase price **L** ,   .~~00~~ CODE BOX P

Net foreign pension or annuity income WITH an undeducted purchase price **D** 6,730.~~00~~

# Question 4

**Did you receive any income from working—whether or not it is shown on a *PAYG payment summary—individual non business*—such as:**
- **payments for salary, wages, commissions, bonuses etc., including income earned from part-time and casual jobs**
- **allowances**
- **tips, gratuities and payments for your services**
- **consultation fees and payments for voluntary services?**

Do not show amounts on any payment summary other than the *PAYG payment summary—individual non business*. You will need to use *TaxPack 2002* if you receive other payment summaries.

If you wish to claim any work related expenses, other than Financial Institutions Duty charged on your earnings when deposited into a bank, building society or credit union account, use *TaxPack 2002*. **You cannot complete your tax return using *TaxPack 2002 for retirees*.**

Show Commonwealth of Australia government pensions, allowances and payments at question **1**. Show other Australian pensions or annuities at question **2**. Show total reportable fringe benefits amounts at question **6**.

**NO** Go to question **5**. **YES** Read below.

**IMPORTANT**
- Group certificates are now payment summaries.
- A tax instalment deduction is now tax withheld.
- Salary, wages and bonuses are payments received.
- Employers are payers.
- Employees are payees.

**Question** **Was tax withheld from your payments of salary or wages, allowances or other earnings?**

**Answer** If you had tax withheld from your payments of salary or wages, allowances or other earnings during 2001–02 your payer will send you a payment summary which shows you how much income you earned and the amount of tax you had withheld from your earnings.

### Late, lost or wrong payment summaries

If your payer has not sent your payment summary to you, if the details on it are wrong or you have lost it, contact the payer and ask them for the original documents, a signed copy or a letter showing the correct details.

If your payer is unable to provide you with these documents, you will need to complete the statutory declaration which is available from the Australian Taxation Office and attach it to page 3 of your tax return. You will need a separate statutory declaration for each payer from whom you have no documents.

**NOTE** If you lodge your tax return without a payment summary, signed copy, letter or statement from your payer, or statutory declaration showing the correct details, we will send your tax return back to you to lodge it again with the necessary documents attached.

This statutory declaration identifies the categories of information you need to show on your tax return such as the period or periods of employment covered by your missing documents, the amounts of tax withheld and the amount of gross payments of salary or wages you earned.

To find out how to get this statutory declaration, see the inside back cover.

## Completing this question

**Step 1** Write the total amount of tax withheld from payments of salary or wages, allowances or other earnings at the left of **C** item **4** on your tax return.

Do not include any amounts already shown on your tax return.

**Step 2** Add up all your gross payments of salary or wages, allowances or other earnings. Do not include amounts already shown on your tax return.

Include all allowances and earnings you received, whether or not they are shown on a payment summary.

**Step 3** Write the total at **C** item **4**. Do not show cents.

**Step 4** Attach to page **3** of your tax return the payee's tax return copy of all your payment summaries, statutory declarations, letters or statements from your payers.

### Example

Ling worked part time in her daughter's clothing shop, earned $1200 and had $300 tax withheld. She also volunteered to do the books of her grandson's pre-school for $150, based on $15 per hour. No tax was withheld from this payment.

Ling fills in her tax return like this:

| | | Tax withheld | |
|---|---|---|---|
| 4 | **Salary, wages, allowances, earnings etc.** | ,300.00 | **C** 1,350.~~00~~ |

### Completing this item

Add up all the amounts in the tax withheld boxes at items **1**, **2** and **4** on your tax return.

Write the total amount at **$** item **5 TOTAL TAX WITHHELD** on your tax return. Go to question **6**.

| | | | |
|---|---|---|---|
| 5 | TOTAL TAX WITHHELD | $ [ ][ ],[ ][ ][ ].00 | ← **Add up all the amounts in the tax withheld column—items 1, 2 and 4.** |

**NOTE** ***Pay As You Go (PAYG) instalment payments***

If you were required to pay instalments of tax under the PAYG instalments system towards your end-of-year income tax liability, you do not need to show them anywhere on your tax return. These amounts will be automatically credited to your income tax assessment by the Australian Taxation Office to determine whether you are entitled to a refund of tax paid, or required to pay an additional amount of tax.

## Do you have a reportable fringe benefits amount shown on a *PAYG payment summary—individual non business*?

**NO** Go to question **7**. **YES** Read below.

You need to complete this question if you and/or an associate received certain fringe benefits from an employer and any payment summaries provided by your employer showed a **reportable fringe benefits amount** under that heading.

Your employer has to keep records of the value of any fringe benefits given to you and/or your associate, but only needs to show the fringe benefits on your payment summary if their taxable value exceeds $1000 in a fringe benefits tax (FBT) year (1 April 2001 to 31 March 2002).

However, your employer has to gross-up the taxable value of the fringe benefits for reporting purposes to ensure their value is consistent with other forms of income on your payment summary. As you do not pay income tax on fringe benefits, the grossed-up taxable value of a benefit includes the amount of income tax that you would have paid, had you received cash salary rather than the fringe benefit. The highest marginal rate of income tax plus Medicare levy is used, so that a fringe benefit having a taxable value of $1001 becomes **a reportable fringe benefits amount of** $1943.

Therefore, if you have a reportable fringe benefits amount shown on your payment summary which is less than $1943, you will need to check with your employer about the amount or the method of calculating the amount.

The total reportable fringe benefits amounts you show on your tax return are not included in your total income or loss amount and you do not pay income tax or Medicare levy on them.

However, they will be used in determining your entitlement to or liability for:
- Medicare levy surcharge
- superannuation contributions surcharge
- termination payments surcharge
- Higher Education Contribution Scheme repayments
- certain government benefits.

### Completing this question

**Step 1** Add up the **reportable fringe benefits amounts** shown on your payment summaries.

**Step 2** Write the total at W item **6** on your tax return. Do not show cents.

**NOTE** You can also find more information in the fact sheets *Changes to fringe benefits tax reporting arrangements—facts for employees* (NAT 2836—9.2000) and *Changes to fringe benefits tax reporting arrangements—impacts on income tests for employees 2001–02* (NAT 3031—3.2002). These publications are available on the Australian Taxation Office website at <**www.ato.gov.au**>. Or to find out how to get a printed copy, see the inside back cover.

# Question 7

**Did you receive, or were you credited with, interest from any source within Australia?**
**You need to include all the interest you received from:**
- **interest bearing accounts with banks, credit unions and building societies, such as savings and passbook accounts and cheque accounts**
- **term deposits or fixed deposits.**

Include any interest you received from, or were credited with, by the Australian Taxation Office (ATO).

If you received, or are entitled to receive, distributions or interest from a partnership or trust—including a cash management trust, money market trust, mortgage trust, property trust, unit trust or any similar trust investment product—use *TaxPack 2002* and *TaxPack 2002 supplement*. **You cannot complete your tax return using *TaxPack 2002 for retirees*.**

**NO** Go to question **8**. **YES** Read below.

### Deemed interest

The ATO is only concerned with the interest you actually received or were credited with, not what Centrelink or the Department of Veterans' Affairs deems you to have received from your investments.

### Children's and grandchildren's accounts

If you open or operate an account for a child or grandchild and the funds in that account belong to you, or you spend or use the funds in the account as if they belong to you, you must include any interest from the account at this question. *Taxation Ruling IT 2486—Income tax: children's savings accounts* has more details. This publication is available on the ATO website at <**www.ato.gov.au**>. Or to find out how to get a printed copy, see the inside back cover.

## Completing this question

**Step 1** Using your records, add up all the amounts of gross interest received by or credited to you. You do not have to show an amount if the total gross interest you earned from all accounts during the year was less than $1.

Remember to show only your share of any interest from joint accounts. Joint account interest is generally split equally between account holders. If it is not, keep a record to show how you worked out your share.

The interest amount you show at this question must include any tax file number (TFN) amounts. These are amounts of tax withheld by the financial institution because you did not quote your TFN to the institution. They will be shown in your passbook, statements or other financial records as Commonwealth tax or TFN withholding tax.

Do not deduct from your interest amount account keeping fees, charges and Financial Institutions Duty. You may be able to claim these at item **11**.

**Step 2** Write your gross interest at **L** item **7** on your tax return. Do not show cents.

**Step 3** Add up all the TFN amounts withheld from gross interest shown on your statement and take away any TFN amounts already refunded to you—these will also be shown on your statements or passbooks from banks or other financial institutions.

**Step 4** Write the answer from step 3 at **M** item **7**. **Remember to show cents**. This amount will be credited to you on your notice of assessment.

### Example

John's account was credited with $260 interest from the XYZ bank. John and his wife Helen have a joint account at the STU bank which credited the account with $130 interest. John only has to show half of this on his tax return.

John also opened an account at the Piggy bank for his granddaughter Jessica. This account was credited with $35 interest. John often uses the money in Jessica's account to help pay unexpected expenses. Because John is using the money in Jessica's account as if it belongs to him, he must include the interest from Jessica's account on his tax return.

John has given his TFN to each of the banks.

John calculates his bank interest like this:

| Bank | Interest credited |
|---|---|
| XYZ | $260 |
| STU | $65—*half of the interest credited to the joint account* |
| Piggy | $35 |
| Total interest | $360 |

John fills in item **7** on his tax return like this:

**7 Gross interest**

Gross interest **L** $\square\square\square$,3 6 0.~~00~~

Tax file number amounts withheld from gross interest **M** $\square\square\square$,$\square\square\square$.$\square\square$

**Did an Australian company (including a listed investment company), corporate unit trust or public trading trust pay or credit you with any dividends or distributions?**

If you:

- sold shares during the year or
- received, or are entitled to receive, dividends that are part of a distribution from a partnership or trust—including a cash management trust, money market trust, mortgage trust, unit trust or managed fund such as a property trust, share trust, equity trust, growth trust, imputation trust, balanced trust or similar trust investment product or
- received distributions from a corporate limited partnership or
- received deemed dividends from a private company or
- received dividends from a foreign company

use *TaxPack 2002* and *TaxPack 2002 supplement*. **You cannot complete your tax return using *TaxPack 2002 for retirees*.**

Do not claim dividend expenses here. Claim them at item **11**.

**NO** Go to question **9**. **YES** Read below.

### What do you need to show at this question?

You need to show at this question all your assessable dividends including:

- those directly paid to you
- dividends applied under a dividend reinvestment plan
- dividends which are otherwise dealt with on your behalf
- bonus shares which qualify as dividends
- dividends paid to you by a listed investment company.

A dividend is assessable income in the year it was paid or credited to you. Your dividend statement should have the relevant date—generally referred to as the payment date or date paid.

**Example 1**

Jill received a dividend statement notifying her of a final dividend for the year ended 30 June 2001. The payment date shown on the dividend statement was 30 September 2001. Jill must include the amount of the dividend as part of her assessable income for the year ended 30 June 2002—on her 2001–02 tax return.

**Imputation system**

Dividends paid to shareholders by Australian resident companies are taxed under a system known as imputation. It is called an imputation system because the payment of company tax is imputed, or attributed, to the shareholders. The tax paid by the company is allocated to shareholders by way of imputation credits attached to the dividends they receive.

An amount equal to the imputation credits attached to the dividends is included in the assessable income of the shareholder, who is then entitled

**NOTE** If you have an imputation credit but would otherwise not have to lodge a tax return, see the note on page 4. You may be able to use a shorter form included in the publication *Refund of imputation credits instructions and application for individuals* (NAT 4105—6.2002) to claim your imputation credit.

to a franking tax offset equal to the amount included in their income. The franking tax offset will cover, or partly cover, the tax payable on the dividends.

If the tax offset is more than the tax payable on the dividends, the excess tax offset will be applied to cover, or partly cover, any tax payable on other taxable income received.

If any tax offset amount is left over after that, you will be refunded that amount.

Some situations are not covered by the imputation system and the tax paid by the company is not allocated to shareholders by way of imputation credits. Imputation credits do not attach to:

- that part of the dividend where the shareholder has engaged in franking credit trading and failed to satisfy the holding period rule or the related payments rule
- dividends to the extent that a franking tax offset is denied because the shareholder has exceeded the small shareholder franking tax offset ceiling contained in the franking credit trading rules.

**Franking credit trading—qualified persons**

Measures have been introduced to curb the unintended usage of franking tax offsets by persons who do not effectively own the shares or who only briefly own the shares. These measures, known as the holding period rule and the related payments rule, provide that taxpayers must satisfy certain criteria before they qualify for franking tax offsets. In other words, only qualified persons are able to have the benefit of the imputation credits attached to their dividends. These measures address the issue of franking credit trading.

The holding period rule could affect you if you have bought shares on or after 1 July 1997 and sold the shares or entered into a risk diminution arrangement, such as a derivative transaction, within 45 days—90 days for certain preference shares—of buying your shares. The related payments rule could affect you if you were under an obligation to make a related payment with respect to a dividend under an arrangement entered into after 7.30 p.m. on 13 May 1997 and you did not hold your shares ‘at risk’ during a specified qualifying period.

If you have failed the holding period rule and the related payments rule does not apply to you, you may still be entitled to a franking tax offset if you qualify for the small shareholder exemption. The small shareholder exemption imposes a maximum franking tax offset ceiling of $5000 on all of your franking tax offset entitlements in a given year, whether received directly, or indirectly through a trust or partnership—ring the Personal Tax Infoline on the inside back cover for more information.

If any of these measures are likely to affect you, read the publication *You and your shares* (NAT 2632—6.2002). This publication is available on the Australian Taxation Office website at <**www.ato.gov.au**>. Or to find out how to get a printed copy, see the inside back cover.

**Question** **What are unfranked dividends?**

**Answer** Unfranked dividends are paid by an Australian resident company that has not already paid Australian company tax. If the dividend is unfranked, you are not entitled to a franking tax offset. The unfranked dividend is taxed in the same way as your other income and must be included in your assessable income at **S** item **8** on your tax return.

**Question** **What are franked dividends?**

**Answer** Franked dividends are said to carry imputation credits, a credit for the tax paid by the company. Franked dividends can be either fully franked, meaning that the whole amount of the dividend carries imputation credit, or partly franked, meaning that only part of the amount of the dividend carries imputation credit.

If you received a franked dividend from a resident company you must include the dividend amount in your assessable income at **T** item **8**.

You must also include any imputation credits in your assessable income at **U** item **8**, so the correct amount of tax and Medicare levy can be calculated. The imputation credits will be automatically allowed as a tax offset to reduce your tax or refunded to you where your franking tax offset entitlement exceeds your tax liability. However, you do not include any imputation credit at **U** item **8** if you are not a qualified person because of the application of the holding period rule or the related payments rule or a breach of the small shareholder exemption.

For more information, read the publication *You and your shares*. This publication is available on the Australian Taxation Office (ATO) website at <**www.ato.gov.au**>. Or to find out how to get a printed copy, see the inside back cover.

**Question** **What if you have not quoted your tax file number (TFN) to the investment body and you receive an unfranked dividend?**

**Answer** If you did not quote your TFN to your investment body for shares or units held, tax may have been withheld from any unfranked dividends at the highest rate plus the Medicare levy, a total of 48.5 per cent.

If you had TFN amounts withheld from your unfranked dividends, these will be shown on your dividend statement. You can claim a credit for any TFN amounts withheld at **V** item **8**.

If you have received a refund of some or all of the TFN amounts withheld, you cannot claim a credit for these amounts.

The company, corporate unit trust or public trading trust that paid you the dividends or made the distributions will provide you with a statement.

The statement will show:

- the amount of unfranked and franked dividends you received
- the amount of imputation credit
- the amount of tax withheld—called TFN amounts withheld—from unfranked dividends.

If you have not received your dividend or distribution statements, contact the company, corporate unit trust or public trading trust that paid or credited you with the dividends or distributions.

Show only your share of any dividends which were paid or credited to you. For example, if you owned the shares in joint names show only your portion of dividend income on your tax return.

## Completing this question

**Step 1** Add up all unfranked dividend amounts—including any TFN amounts withheld—on your statements. Write the total amount at **S** item **8** on your tax return. Do not show cents.

**Step 2** Add up all franked dividend amounts on your statements. Write the total amount at **T** item **8**. Do not show cents.

**Step 3** Add up all allowable imputation credit amounts on your statements—do not include any imputation credits for which you are not entitled to a franking tax offset because of the application of the holding period rule or the related payments rule or a breach of the small shareholder exemption. Write the total amount at **U** item **8**. Do not show cents.

**Step 4** Add up any TFN amounts which were withheld but have not been refunded to you. Write the total amount at **V** item **8**. Remember to show cents. This amount will appear as a credit on your notice of assessment.

### Example 2

Yuan received dividends from MPG Ltd. His dividend statement showed $70 fully franked dividend and $30 imputation credit.

Yuan also received dividends from HYY Ltd. His dividend statement showed $120 unfranked dividend.

Yuan also received dividends from HPT Ltd. He did not give the company his tax file number (TFN) and so his entitlement of $100 unfranked dividend had $48.50 in TFN amounts withheld.

On his working papers, Yuan adds up his income like this:

| | Unfranked | Franked | Imputation credits | TFN amounts withheld |
|---|---|---|---|---|
| MPG Ltd | | $70 | $30 | |
| HYY Ltd | $120 | | | |
| HPT Ltd | $100 | | | $48.50 |
| **Total** | **S** $220 | **T** $70 | **U** $30 | **V** $48.50 |

The unfranked amount includes both the amount received or credited and the TFN amount withheld.

Yuan fills in item **8** on his tax return like this:

**8 Dividends**

| | | | |
|---|---|---|---|
| | | Unfranked amount | **S** 220.00 |
| | | Franked amount | **T** 70.00 |
| Tax file number amounts withheld from dividends | **V** 48.50 | Imputation credit | **U** 30.00 |

### DON'T LEAVE IT TOO LATE!

Did you:
- purchase or inherit any shares
- receive any shares as part of a divorce settlement or as a gift?

If YES, start keeping records now. Incomplete records could mean paying more tax when you dispose of your shares. If you need more information on record keeping and the assets that attract capital gains tax, these are explained in the *Guide to capital gains tax* (NAT 4151—6.2002). This publication is available on the Australian Taxation Office website at <**www.ato.gov.au**>. Or to find out how to get a printed copy, see the inside back cover.

## Completing this item

You have now reached the end of the Income section.

Before adding up your amounts from items **1** to **8**, please note the following.

- The more common types of exempt income are listed on page 12.
- You must have shown all of your income for tax purposes—the *Taxpayer's declaration* on page **6** of your tax return will require you to sign that this is true. If you still have income that you have not put at any item and it is not exempt income, you will need to go back through the Income section and include it. If your type of income is not shown in *TaxPack 2002 for retirees* you may need to use *TaxPack 2002* which is available from designated newsagents or ATO*access* sites.

  See page 3 of *TaxPack 2002 for retirees* for what's in *TaxPack 2002* and *TaxPack 2002 supplement*. If you are in any doubt, ring the Personal Tax Infoline on the inside back cover.
- If you have not been able to complete one or more of items **1** to **8** because you do not have all the documents you need to work out the right amount, do not complete this section yet.

  If you have not received your *PAYG payment summary—individual non business*, financial or dividend statement, if the details on it are wrong or you have lost it, contact the payer, financial institution, company, corporate unit trust or public trading trust and ask them for the original documents, a signed copy or a letter showing the correct details.

**REMEMBER:** You have until **31 October 2002** to lodge your tax return unless it is prepared by a registered tax agent. If you plan to use a registered tax agent to prepare and lodge your tax return, make sure that you see them before 31 October 2002. Lists of registered agents can be found at <**www.tabd.gov.au**>. You should not lodge your tax return until it is complete. If you think you are likely to be missing information on 31 October, ask the Australian Taxation Office (ATO) if you can lodge at a later date. Page 82 tells you how.

## Completing this question

**Step 1** Add up all the income amounts in the right-hand column of items **1** to **8** on your tax return.

**Step 2** Write your answer from step **1** at item **9 TOTAL INCOME** on your tax return. Do not show cents.

**IMPORTANT:** Keep copies of your tax return, all attachments and relevant papers for your own records. Unless you are subject to a shorter period of review—see page 8—you are required to keep written evidence for 5 years after the end of the income year.

If you are subject to a shorter period of review you need to keep these records:
- for 2 years after the due date for payment if you had a taxable notice of assessment or
- for 2 years from the 30th day after you received your notice advising you that no tax is payable.

**Did you have:**

- **Financial Institutions Duty (FID) charged on pension or payment income, salary, wages or allowance deposited into your bank, building society or credit union account**
- **expenses for subscriptions to associations representing pensioners or self-funded retirees**
- **expenses for subscriptions to trade, business or professional associations?**

If you have any of the following work related expenses: car, travel, clothing, laundry, self-education, books, journals and trade magazines, tools and equipment, computers and software, telephone and home office expenses or other work related expenses use *TaxPack 2002*. **You cannot complete your tax return using *TaxPack 2002 for retirees*.**

**NO** Go to question **11**. **YES** Read below.

### Financial Institutions Duty

FID was abolished with effect from 1 July 2001. However, you may have been notified of FID in your bank, building society or credit union statements in the year 2001–02 on some deposits made to your account prior to 1 July 2001. You can claim these FID amounts as a deduction in 2001–02 where the deposit is part of your assessable income—for example, pensions, allowances, salary or wages.

FID charged in relation to assessable interest or dividend income being deposited into your bank, building society or credit union account can be claimed at question **11**. Do not claim here.

You can only claim your share of FID charged on joint accounts. For example, if you hold an account jointly with one other person, you can only claim one half of the FID charged on the account.

### Subscriptions to associations

You can claim as a deduction the full payment you make for membership of a trade, business or professional association that is directly related to the earning of your assessable income. You can also claim in full any government duty tax (GDT) or debits tax charged on the payment.

You can claim up to $42 per annum in respect of each subscription you make for membership of a trade, business or professional association that is not directly related to the earning of your assessable income.

## Completing this question

**Step 1** Add up all the expenses that you can claim at this question.

**Step 2** Write the total amount at **E** item **10** on your tax return. Do not show cents.

> **Example**
>
> Jarrod is a retired nurse and receives income from a superannuation pension and investments. His pension is paid into his bank account each fortnight and an amount of $2 of Financial Institutions Duty (FID) was charged in July 2001 by the bank with respect to a pension payment deposited to his account in June 2001. Jarrod can claim a deduction of $2.
>
> Jarrod also pays an annual subscription of $55 to a retired nurses' association. The association publishes a monthly newsletter to keep members up to date on changes to nursing standards and to tell them about other issues of interest. Because the subscription is not directly related to the earning of his assessable income, Jarrod can only claim a deduction of $42 for the subscription. Jarrod adds up all the expenses that he can claim.

Jarrod fills in item **10** on his tax return like this:

| | | |
|---|---|---|
| **10** | **Financial Institutions Duty and subscriptions** | Deductions—do not show cents<br>**E** , 44.~~00~~ |

# Question 11



**Did you have any expenses that you can claim as deductions against assessable interest and dividend income, such as:**

- **Financial Institutions Duty (FID) or debits tax**
- **account keeping fees**
- **management fees**
- **interest charged on money borrowed to purchase shares**

**or did you have a 'listed investment company (LIC) capital gain amount' included in a dividend received from an LIC?**

You can claim a deduction against assessable interest and dividend income if you are able to show that the duties, taxes and expenses were incurred in earning that income.

**NO** Go to question **12**. **YES** Read below.

### Deductions you can claim against your assessable interest and dividends

***FID and debits tax***

State Governments charge FID and debits tax for operating certain types of accounts held with financial institutions such as banks, building societies and credit unions. If these were charged to your account, they will be shown on your statements or in your passbook.

You can claim for FID charged on any deposit of assessable interest or dividend income paid into your account. You can claim that part of debits tax charged on payments from your account—where the payments are for deductible expenses which can be claimed at this question.

***Account keeping fees***

Some financial institutions charge account keeping fees. You can claim for these fees where the account is held for investment purposes—for example, a term deposit. You will find these fees listed on your statements or in your passbooks.

**REMEMBER:** If you are not the sole holder of an account you can only claim your share of charges or taxes on the account—for example, where you hold an equal share in an account with your spouse, you can only claim half of any allowable FID or debits tax paid on that account.

***Other deductions***

You can claim for ongoing management fees, retainers, interest incurred on money borrowed to purchase shares and other related investments, and amounts paid for advice relating to changes in the mix of investment. If the money borrowed is used for both private and income producing purposes, then the interest must be apportioned between each purpose. Only that interest incurred for an income producing purpose is deductible.

You cannot claim:

- a fee charged for drawing up an investment plan unless you are carrying on an investment business
- a fee paid to an investment adviser for drawing up an initial investment plan which includes pre-existing investments.

***Thin capitalisation***
New rules—known as the thin capitalisation rules—apply for the 2001–02 income year. If you have certain overseas interests or are a foreign resident, (or have associate entities with such interests or residence) these rules may apply if your debt deductions, such as interest (combined with those of your associate entities) for 2001–02 are more than $250 000—see **Messages** on page 9 for more information.

**Deduction you can claim for 50 per cent of LIC capital gain amount**
If you were an Australian resident when you were paid a dividend by a listed investment company (LIC), and the dividend includes an LIC capital gain amount, you can claim a deduction of 50 per cent of the LIC capital gain amount. The LIC capital gain amount will be shown separately on your dividend statement.

## Completing this question

**Step 1** Add up all your interest and dividend deductions and 50 per cent of any LIC capital gain amount.

**Step 2** Write the total amount at **I** item **11** on your tax return. Do not show cents.

**Example**
Matthew has 3 investment accounts with the ABC bank. He checks his statements and adds up the Financial Institutions Duty (FID) and debits tax he has been charged on debits made for a deductible purpose—such as amounts paid for advice relating to changes in the mix of investments. The FID and debits tax adds up to $23.

Matthew fills in item **11** on his tax return like this:

| | | |
|---|---|---|
| **11** | **Interest and dividend deductions** | **I** , 2 3 .~~00~~ |

**Did you make a gift or donation of $2 or more to an eligible organisation such as:**

- **certain organisations or charities which gave help in Australia**
- **an approved overseas aid fund**
- **a school building fund**
- **an approved environmental or cultural organisation which the Australian Taxation Office (ATO) has endorsed as a deductible gift recipient or to an organisation listed by name in the tax laws as gift deductible, or**
- **a registered political party**

**or did you make an approved cultural bequest?**

**NO** Read the information on pages 40–2.

**YES** Read below.

**What you can claim**

- You cannot claim a deduction for a donation if you received something for it—for example, a pen or a raffle ticket. If you do not know whether you can claim a deduction, see if the information is on the receipt for your gift. If not, contact the organisation for confirmation. If you still do not know, ring the Personal Tax Infoline on the inside back cover.
- The total amount you can claim for contributions to registered political parties is $100.
- Under the general gift provisions—with the exception of gifts of property made under the Cultural Gifts Program, and donations to environmental and heritage organisations—you can claim a donation of property to an eligible organisation if it is made within 12 months of purchase. You claim the lesser of either the price you paid for it or the market value of the property at the time of the donation. This means that you cannot claim for property if you did not purchase it—for example, if you inherited or won the property.
- You can also claim gifts of property valued at more than $5000 made to certain funds, authorities and institutions. A valuation certificate must be obtained from the Australian Valuation Office (AVO) for property purchased more than 12 months before making the gift or for property you did not purchase—for example, where you inherited or won the property. However, if the property was purchased within 12 months before making the gift, the amount deductible is the lesser of the market value of the property at the time of donation and the amount paid for the property. For more information about property valuations, contact the AVO by phone on **(02) 6229 3405**, by fax on **(02) 6230 5060** or by email **bryan.hurrell@avo.gov.au**.
- You can claim gifts made to specified private funds.
- You can elect to spread the deduction for gifts made under the Cultural Gifts Program and environmental and heritage gifts (valued by the ATO) over 5 income years or less. The election must be lodged with the relevant department before you lodge your tax return.

For more information about the Cultural Gifts Program and the election contact the Department of Communications, Information Technology and the Arts by phone **(02) 6271 1643**, by email **cgp.mail@dcita.gov.au** or visit its website <**www.dcita.gov.au/cgp**>.

For more information about making gifts to environmental and heritage organisations and the election contact the Department of the Environment and Heritage by phone **(02) 6274 1467** or by email **reo@ea.gov.au**.

- If you are an executor or administrator of an estate, you can claim a deduction in the donor's final individual tax return for a cultural bequest that was made under the Cultural Bequests Program. If the value of the bequest reduces the donor's taxable income to nil, any excess value can be claimed in the first estate return. It is necessary that you have a certificate of approval issued to the donor, during the 1998, 1999 or 2000 income years, by the Minister for Communications, Information Technology and the Arts.

## Completing this question

Add up the amounts of your eligible gifts and donations and write the total at **J** item 12 on your tax return. Do not show cents.

**Example**

Siva donated $5 to the Red Cross and was given a receipt. He gave $10 to the Royal Blind Society and in return received a pocket diary. Siva can claim only the $5 donation to the Red Cross.

Siva fills in item **12** on his tax return like this:

**12 Gifts or donations** J [ ][ ],[ ][ ][5]·~~00~~

## Did you show income at item 2 or item 3 on your tax return?

**NO** Go to question **15**. **YES** Read below.

If you showed income at items **2** or **3** on your tax return, you may be able to reduce the amount of pension or annuity income on which you must pay tax. If your pension or annuity has a deductible amount of undeducted purchase price (UPP), you can claim a deduction at items **13** or **14**.

**Question** **What does UPP mean?**

**Answer** The UPP is the amount that you contributed towards the purchase price of your pension or annuity for which you did not and were not eligible to claim a tax deduction under Australian taxation law. Each year, that part of your pension or annuity income that represents a return to you of your own personal contributions can be deducted from your taxable pension or annuity income. This tax-free part of your pension or annuity income is called the **deductible amount** of the UPP.

Pensions from Centrelink and the Department of Veterans' Affairs do not have a deductible amount.

Your pension or annuity may have a UPP if:
- you receive a superannuation pension and you could not claim a tax deduction for some or all of the personal contributions you made to your superannuation fund or retirement savings account provider in previous years
- you receive a pension or annuity that reverted to you on the death of another person
- you receive a pension or annuity that you bought with your own capital.

If you know the deductible amount of your Australian pension or annuity, and provided you have not commuted any part of your pension, complete question **13**. Where you have partly or fully commuted your pension to a lump sum then you will need to have your UPP re-calculated.

If you do not know the deductible amount, go to **What if you do not know the UPP of your Australian pension or annuity?** on the next page.

If you know the deductible amount of your foreign pension or annuity, and provided you have not commuted any part of your pension, complete question **14**. Where you have partly or fully commuted your pension to a lump sum then you will need to have your UPP re-calculated. If you have a category **A** or **B** pension from the British National Insurance Scheme; an old age, widows, widowers or orphans pension paid from the Sociale Verzekeringbank (SVB) under the Netherlands Social Insurance system; or an Italian pension, complete question **14**.

If you do not know the deductible amount of your foreign pension, ring the Superannuation Infoline on **13 1020**.

**Question** **What if you do not know the undeducted purchase price (UPP) of your Australian pension or annuity?**

**Answer** Usually, when you start to receive a pension, the pension provider will give you a copy of the details regarding your pension. In addition, each year your pension provider must give you a payment summary for the year, and most pension providers also supply additional information with the payment summary. You may find the answers to many of the following questions in that additional information.

If you have not received these documents, cannot find these documents or your deductible amount is not shown, contact your pension provider. If they are unable to help you, the Australian Taxation Office (ATO) will work it out for you.

All you need to do is sign and attach a SCHEDULE OF ADDITIONAL INFORMATION statement to page 3 of your tax return. Print **X** in the **YES** box at the *Taxpayer's declaration* on page 6 of your tax return.

## Completing a schedule of additional information

Print SCHEDULE OF ADDITIONAL INFORMATION—QUESTION **13** on the top of a separate piece of paper and tell us your name, address, tax file number and the answers to the following questions.

1. What is your date of birth?
2. On what date did your pension or annuity first become payable? This is the first day of the first payment period of the pension or annuity. (Your pension provider can give you this information if you do not already have it.)
3. What is the name of the provider or company paying your pension or annuity?
4. If you are receiving a superannuation pension:
   (a) What amount did you personally contribute to your superannuation provider after 30 June 1983? Ask your superannuation provider for this figure.
   (b) For what part of this amount did you not get a tax deduction?
   (c) Have you rolled over any capital gains tax (CGT) exempt amounts to your superannuation provider? What is the amount?
5. If you are receiving a superannuation pension from a provider which has not paid tax on contributions received—such as some government funds—or your superannuation pension commenced before 1 July 1994, what amounts did you contribute towards your superannuation before 1 July 1983, for which you did not claim, and were not entitled to claim, a tax deduction or rebate? The ATO can provide this figure if you do not have it—ring the Superannuation Infoline on **13 1020**.

**NOTE** This information is important if you bought a pension or annuity on or after 1 July 1994, and the purchase price of the pension or annuity was derived wholly from funds obtained by rolling over a previous pension or annuity which had a starting date earlier than 1 July 1994.

6. If you are receiving an annuity or superannuation pension that you bought with one or more eligible termination payments (ETPs):
   (a) What amounts of each component of the ETP did you roll over into the annuity or superannuation pension? Examples are: undeducted contributions, CGT exempt amounts, concessional components, invalidity components, pre-July 1983 or post-June 1983 components. (Your pension or annuity provider can give you this information.)
   (b) Did you buy the superannuation pension or annuity you are now receiving with funds obtained solely from rolling over a previous superannuation pension or annuity? If so, when did you first start to receive payments under the previous superannuation pension or annuity?
7. If you are receiving an annuity that you bought with money other than as described in question **6** above, how much did you pay for the annuity?
8. Is the period for which you will be receiving the pension or annuity fixed?
   (a) If YES, how long is the period?
   (b) If NO:
      - What are the conditions under which the payments are made?
      - Does your pension or annuity have a reversionary beneficiary—this is someone who will be entitled to receive all or part of your pension or annuity payments if you die? If so, what is the name and date of birth of this person?
      - If you are receiving your pension or annuity because it reverted to you upon the death of someone else, what is the name, date of birth and tax file number of the person who died?
      - On what date did the deceased person first receive the pension?
9. If someone else is now entitled to a share of your pension or annuity, what is the percentage to which they are entitled?
10. When the pension or annuity stops, will an agreed lump sum—often called the **residual capital value**—become payable? If so, how much is this lump sum?

If you have fully or partially commuted your pension to a lump sum during the year, the answers to the above questions and the information in the ETP Payment Summary will be used to recalculate the deductible amount.

## Are you able to claim a deductible amount of undeducted purchase price (UPP) of your Australian pension or annuity?

You cannot claim a deductible amount of UPP for any Commonwealth of Australia government pensions. These pensions include those shown at question **1**.

If you showed income from an Australian pension or annuity at item **2** on your tax return, you may be able to reduce the amount of income on which you must pay tax if your pension or annuity has a UPP.

**NO** Go to question **14**.     **YES** Read below.

### Completing this question

Before completing this question you must read the information on pages 40–2.

Write the deductible amount of your UPP at **L** item **13** on your tax return. Do not show cents. This cannot be more than the pension or annuity to which it relates that you showed at item **2**.

If you had more than one Australian pension, write the total of all the deductible amounts of your UPP at **L** item **13**.

**Example**

Pina receives a lifelong State superannuation pension. Last year she sent in a SCHEDULE OF ADDITIONAL INFORMATION with her tax return. The Australian Taxation Office advised that the deductible amount of her UPP for a whole year was $732. Provided she receives a pension for the whole year and no part of the pension has been commuted to a lump sum, she can claim this amount every year as a UPP deduction.

Pina fills in item **13** on her tax return like this:

| | | |
|---|---|---|
| **13** | **Deductible amount of undeducted purchase price (UPP) of an Australian pension or annuity** | **L** ,732.00 |

**Did you receive a foreign pension or annuity which has a deductible amount of undeducted purchase price (UPP)?**

**NO** Go to question **15**. YES Read below.

If you showed income from a foreign pension or annuity at item **3** on your tax return, you may be able to reduce the amount of income on which you must pay tax if your pension or annuity has a UPP. Only some foreign pensions and annuities have a UPP.

Before completing this question you must read the information on pages 40–2.

**NOTE** If you are claiming a deduction at this question, check that you have shown your foreign source pension or annuity income at **D** item **3** on your tax return.

**Question** **Can you claim a deduction for the UPP of your foreign pension?**

**Answer** You may be entitled to claim a deduction for the UPP of your foreign pension if you personally made payments into your superannuation scheme.

If you do not know the amount of UPP you are entitled to deduct, ring the Superannuation Infoline on **13 1020**.

**Question** **Did you receive a British pension?**

**Answer** If you received a category A or category B pension from the British National Insurance Scheme (BNIS), you are entitled to a UPP deduction. One method of calculating your UPP deduction is to multiply your BNIS pension (in Australian dollars) by 8 per cent. This method is accepted by the Commissioner of Taxation and generally results in the maximum deduction you are entitled to.

However, there is another method—the exact method. If you wish to find out about this method or you receive another type of British pension and you are not sure about a UPP entitlement, ring the Superannuation Infoline on **13 1020**.

**Question** **Did you receive an old age, widows, widowers or orphans pension paid from the Sociale Verzekeringbank (SVB) under the Netherlands social insurance system?**

**Answer** If you received one of these pensions, you can claim a UPP deduction. If you can obtain all the necessary information to determine your UPP, claim the percentage you have worked out. If you cannot, you can claim an annual UPP deduction equal to 25 per cent of your gross pension payment.

**Question** **Did you receive an Italian pension?**

**Answer** If you received an Italian pension and have made payments to the pension scheme, you can claim a UPP deduction.

Each calendar year, the Italian authorities will send you an *Article 17* letter. This letter gives you an estimate of the amount of pension you will receive and the amount that you have contributed towards your pension.

If you are unable to work out your UPP deduction, attach a photocopy (front and back) of your 2001 and 2002 *Article 17* letters to page 3 of your tax return and print **X** in the **YES** box at *Taxpayer's declaration* on page 6. We will work it out for you.

**Question** **Did you receive a pension from another country?**

**Answer** If you think you are entitled to claim a UPP deduction for a foreign pension, other than a British, Dutch or Italian pension, ring the Superannuation Infoline on **13 1020**.

## Completing this question

Write the deductible amount of your UPP at **Y** item **14** on your tax return. Do not show cents.

**Example**

Elizabeth received a British National Insurance Scheme category A pension of $6700. Elizabeth can work out how much UPP deduction she can claim by multiplying her pension by 8 per cent.

$$\$6700 \times \frac{8}{100} = \$536$$

Elizabeth fills in item **14** on her tax return like this:

| | | |
|---|---|---|
| **14** | **Deductible amount of undeducted purchase price (UPP) of a foreign pension or annuity** | **Y** ,536.~~00~~ |

**Did you have expenses:**

- **relating to managing your own tax affairs**
- **imposed by the Australian Taxation Office (ATO) as a general interest charge**
- **for complying with your legal obligations relating to another person's tax affairs?**

**NO** Go to question **16**. **YES** Read below.

**Question** **What expenses can you claim?**

**Answer** Expenses incurred in managing your own tax affairs include:

- preparing and lodging your tax return and activity statements—for example:
  - buying tax reference material
  - lodging your tax return through a registered tax agent
  - obtaining advice from a registered tax agent, barrister or solicitor or dealing with the ATO about your tax affairs
  - the cost of travel associated with obtaining tax advice—for example, the travel costs of attending a meeting with a recognised tax adviser
- appealing to the Administrative Appeals Tribunal or courts
- obtaining a valuation needed for a deductible gift of property.

**NOTE** You can only claim fees to a registered tax agent, barrister or solicitor at this question if they were incurred in 2001–02. Generally, fees are incurred in the year in which they are paid.

### Expenses incurred as a general interest charge (GIC)

The ATO imposes a GIC on late payments of taxes and penalties, and where an amendment to your assessment results in an increase in your tax liability. If you have to, or have had to, pay a GIC to the ATO in 2001–02, you can claim the expense at this question.

**NOTE** Tax shortfall and other administrative penalties for failing to meet your obligations are not deductible.

**Expenses for complying with your legal obligations relating to another person's tax affairs include those relating to:**

- complying with the Pay As You Go withholding obligations—for example, where you need to withhold tax from a payment to a supplier because the supplier did not quote an Australian Business Number
- supplying information requested by the ATO about another taxpayer.

## Completing this question

**Step 1** Add up the amounts of your expenses for managing your own tax affairs, any GIC you have incurred and any expenses for complying with your legal obligations relating to another person's tax affairs.

**Step 2** Write the total amount at **M** item **15** on your tax return. Do not show cents.

> **Example**
>
> During 2001–02 Lester had a registered tax agent help him fill in his 2000–2001 tax return. The tax agent charged $100. Lester can claim the tax agent's fee at this question.

Lester fills in item **15** on his tax return like this:

| | | |
|---|---|---|
| **15** | **Cost of managing tax affairs** | **M** , 1 0 0 ·~~00~~ |

## TOTAL DEDUCTIONS — Question 16

**Did you claim any deductions at items 10 to 15?**

**NO** Go to question **17**. **YES** Read below.

**Step 1** Add up all the amounts at items **10** to **15** on your tax return.

**Step 2** Write the total amount at item **16 TOTAL DEDUCTIONS**. Do not show cents. Go to question **17**.



## TAXABLE INCOME — Question 17

**Completing this item**

**Step 1** If you did not have any deductions, transfer your total income amount from item **9** to item **17** on your tax return.

**Step 2** If you had deductions, take away your total deductions amount at item **16** from the total income amount at item **9**. This will give you your taxable income.

**Step 3** Write your answer at item **17 TAXABLE INCOME**. Do not show cents.

**Question** **Are you eligible for the low income tax offset?**

**Answer** If your taxable income is less than $24 450, you may get a tax offset.

The maximum tax offset of $150 applies if your taxable income is $20 700 or less. This amount is reduced by 4 cents for each dollar over $20 700.

You do not have to work out your tax offset. We will work it out for you from your taxable income details. The tax offset will be shown on your notice of assessment. If you want to work out your tax offset, go to page 92. **Do not write anything about this tax offset on your tax return.**

# Question 18 SPOUSE

## Did you have a spouse—married or de facto?

If you maintained a child or a student use *TaxPack 2002*—**you cannot complete your tax return using *TaxPack 2002 for retirees***.

**NO** Go to question **19**. **YES** Read below.

**Question** **Can you claim a dependent spouse tax offset?**

**Answer** You can claim a dependent spouse tax offset if you and your spouse—married or de facto—were Australian residents for tax purposes and you maintained your spouse for all or part of the income year. 'Maintained' means that:

- you and your spouse lived together or
- you helped your spouse to pay living, medical, food and clothing expenses.

If you had a spouse for the whole year and your spouse worked for part of the year, you are still considered to have maintained your spouse—as a dependant—for the whole year.

You are considered to have maintained your spouse even if you were temporarily separated—for example, due to holidays. You are still considered to have maintained your spouse if they were away from Australia for a short time.

The maximum spouse tax offset is $1437. You can only claim the maximum spouse tax offset if your spouse's separate net income was $282 or less for the year.

The tax offset is reduced by $1 for every $4 of your spouse's separate net income over $282.

You can claim a part of the spouse tax offset if you and your spouse lived together for the whole year and your spouse's separate net income was not more than $6029.

If you are claiming the spouse tax offset you need to complete **Spouse details—married or de facto** on page 5 of your tax return. You must also complete **Your spouse's name** on page 1 of your tax return.

**Question** **What is separate net income?**

**Answer** Separate net income is income and other specified amounts earned or received in 2001–02 by your spouse while you maintained them. It includes salary or wages, interest and dividend income, pensions (including exempt pensions listed on page 12), Veterans' Affairs and most Centrelink payments and amounts included as assessable income under the capital gains tax provisions.

Separate net income also includes amounts on which tax is not payable. This includes some pensions, some scholarships and any maintenance payments your spouse received for their own support after divorce or separation.

Separate net income does not include:

- lump sum severance or retirement payments of a capital nature or as compensation payments for losing a job
- imputation credits attached to franked dividends
- maintenance paid to your spouse for support of their dependent children
- amounts received under the incentive payments scheme relating to certain private health insurance policies
- aged persons savings bonus
- self-funded retirees supplementary bonus
- the $300 one-off payment to Senior Australians announced in the 2001 Federal Budget
- the Japanese internment compensation payments made under the *Compensation (Japanese Internments) Act 2001* or the *Veterans' Entitlements Act 1986*.

Separate net income earned by your spouse may reduce any tax offset you are entitled to claim.

Your spouse's separate net income can be reduced by:

- any work related expenses your spouse incurred in 2001–02 even if they did not lodge a tax return
- any deductions your spouse could claim against interest and dividend income
- any amount your spouse could claim on their 2001–02 tax return for the deductible amount of undeducted purchase price of their pension or annuity
- any expenses your spouse incurred in 2001–02 for travel to and from work (even if they could not claim the expenses as a deduction).

Your spouse does not need written evidence to formally prove expenses which reduce their separate net income but they must be able to demonstrate that they actually incurred the relevant expenses.

Your spouse's separate net income cannot be reduced by amounts paid by them for gifts, donations, tax agents' fees, tax withheld, superannuation contributions, or any tax losses brought forward from 2000–01 or earlier years.

### Part–year tax offset

You may be entitled to claim a part-year tax offset if, during 2001–02, you and your spouse were Australian residents and:

- you married or entered into a de facto relationship
- you divorced or separated
- your spouse died.

Use the steps in the following example to work out your dependent spouse tax offset.

**Example**

Barry and Jenny are married and lived together for the whole year. Jenny received a part pension of $4350.

Barry can claim a spouse tax offset for Jenny as her total separate net income was not more than $6029.

Barry used the following calculation to work out the amount he can claim:

## HOW TO CLAIM YOUR DEPENDENT SPOUSE TAX OFFSET

| | | Barry | Use these steps to work out your correct tax offset |
|---|---|---|---|
| **Step 1** | Write your maximum allowable tax offset at (a). **Note:** If you had a spouse for only part of the year, multiply the number of days you had a spouse by $3.94 a day. Show this amount at (a). | $1437 for the whole year **or** $3.94 a day<br>(a) $1437 | (a) $ |
| **Step 2** | If your spouse's separate net income was less than $286, write the amount from (a) at (f) step 6, then go to step 7. Otherwise go to step 3. | | |
| **Step 3** | If your spouse's separate net income was $286 or more, write the amount at (b). | (b) $4350 | (b) $ |
| **Step 4** | Separate net income at which the tax offset begins to reduce. | (c) $282 | (c) $282 |
| | Take (c) away from (b). | (d) $4068 | (d) $ |
| **Step 5** | Divide (d) by 4. If your amount includes cents, write at (e) only the whole dollar amount. | (e) $1017 | (e) $ |
| **Step 6** | Take (e) from (a). This is your allowable tax offset. You cannot claim a tax offset if the amount at (f) is equal to or less than '**0**'. | (f) $420 | (f) $ |
| **Step 7** | Write your allowable tax offset from (f) at **P** item **18** on your tax return. | | |

Barry fills in item **18** on his tax return like this:

**18 Spouse—married or de facto**

To claim the spouse tax offset you must also complete **Spouse details—married or de facto** on page 5.

Tax offsets—do not show cents

**P** ,420 ~~.00~~

Barry also completes **Spouse details—married or de facto** on page 5 of his tax return and **Your spouse's name** on page 1 of his tax return.

Eligibility for the Senior Australians tax offset depends on certain conditions. These conditions relate to such factors as age, income and eligibility for other Commonwealth of Australia government pensions and similar payments.

You must meet conditions 1, 2, 3 AND 4:

## Condition 1

On 30 June 2002 you were:

- a male aged 65 years or more or a female aged 62 years or more

**OR**

- a male veteran or war widower aged 60 years or more or a female veteran or war widow aged 57 years or more.

**NOTE** A 'veteran' is a person who has eligible war service under the *Veterans' Entitlements Act 1986*. You are a veteran for the purposes of condition 1 if you are receiving a payment from the Department of Veterans' Affairs (DVA) as a veteran. Even if you do not receive a payment you are a veteran for the purposes of condition 1 if you were a member of Australia's Defence Force during a time of conflict. The following are examples, but not an exhaustive list, of the types of conflicts that qualify: Vietnam, the Gulf War, Cambodia, Somalia, Rwanda, Bougainville, East Timor, peacetime service (7 December 1972–7 April 1994), and a serving member with peacekeeping or hazardous service (including the various UN missions).

To be a 'war widow' or 'war widower' you must be receiving a war widows or war widowers pension from DVA or receive a foreign government pension of similar nature to the Australian war widows pension.

If you are unsure if you are a veteran or you qualify for the earlier veteran pension age, visit the DVA website at <**www.dva.gov.au**> or ring DVA on **13 3254**.

## Condition 2

You received a Commonwealth of Australia government age pension or a pension or allowance from DVA at any time during the 2001–02 income year

**OR**

you did not receive a Commonwealth of Australia government pension or similar payment because you did not make a claim, or because of the application of the income test or the assets test

**AND**

- you were **not a veteran** and you satisfy **one** of the following:
  - you have been an Australian resident for either 10 continuous years, or more than 10 years, of which 5 years were continuous
  - you have a qualifying residence exemption (arrived as refugee or under special humanitarian program)
  - you are a woman who is widowed in Australia (at a time when both you and your late partner were Australian residents) and you have 104 weeks residence immediately prior to the claim for age pension
  - you received a widow B pension, widow allowance, mature age allowance or partner allowance immediately before turning age pension age
  - you would qualify under an International Social Security Agreement. If you need assistance in determining your eligibility for a social security or Centrelink pension only, ring Centrelink on **13 2300**. For all other enquiries relating to the Senior Australians tax offset, ring the Australian Taxation Office directly on **13 2861**—press 1.

**OR**

- you are **a veteran** with eligible war service or a Commonwealth veteran, allied veteran or allied mariner with qualifying service who is eligible for, but not receiving, a payment from DVA. If you are not sure if you are eligible for a payment you can get further information from the DVA website or ring DVA.

**NOTE** Condition 2 is based on extended eligibility criteria for the Senior Australians tax offset contained in the Taxation Laws Amendment Bill (No. 2) 2002 which Parliament is presently considering.

You should determine your condition 2 eligibility for this tax offset on the basis of the extended criteria. If Parliament does not put these changes into effect, we will inform taxpayers and amend any tax assessments affected. The Commissioner's guarantee will apply.

## Condition 3

You satisfy the income threshold that applies to you:

- You did not have a spouse—married or de facto—and your taxable income was **less than** $37 840.
- You did have a spouse—married or de facto—and the combined taxable income of you and your spouse was **less than** $58 244.
- You did have a spouse—married or de facto—and the combined taxable income of you and your spouse, where you 'had to live apart due to illness' or either of you was in a nursing home at any time in 2001–02, was **less than** $70 406.

**NOTE** 'Had to live apart due to illness' is a term used to describe a situation where the living expenses of you and your spouse—married or de facto—are increased because you are unable to live together in your home due to the indefinitely continuing illness or infirmity of either or both of you.

## Condition 4

You were not in prison for the whole income year.

If you meet **all** the conditions described, you are eligible for the Senior Australians tax offset.

Now that you have read these conditions, return to **Do you need to lodge** (page 4) or question **1**, step 3 (page 14).

You must also complete question **19** on pages 54–6.

## Are you eligible for the Senior Australians tax offset?

If you are unsure, pages 52–3 provide information on eligibility for this tax offset. If you have a spouse, you will also need to work out if your spouse is eligible.

**NO** Go to question **20**. **YES** Read below.

## Completing this question

**Step 1** Find the code letter that applies to your circumstances from the **TAX OFFSET CODE LETTERS** table below. This code letter tells us the amount of tax offset your entitlement will be based on.

**DEFINITION** 'Had to live apart due to illness' is a term used to describe a situation where the living expenses of you and your spouse—married or de facto—are increased because you are unable to live together in your home due to the indefinitely continuing illness or infirmity of either or both of you.

**TAX OFFSET CODE LETTERS**

| | |
|---|---|
| If at any time during 2001–02, you were single, separated or widowed | **A** |
| If you and your spouse—married or de facto—'had to live apart due to illness' or either of you was in a nursing home at any time in 2001–02 and you are both eligible for the Senior Australians tax offset | **B** |
| If you and your spouse—married or de facto—'had to live apart due to illness' or either of you was in a nursing home at any time in 2001–02 but your spouse is **not** eligible for the Senior Australians tax offset | **C** |
| If you and your spouse—married or de facto—were living together and you are both eligible for the Senior Australians tax offset | **D** |
| If you and your spouse—married or de facto—were living together but your spouse is **not** eligible for the Senior Australians tax offset | **E** |

If more than one code letter applies to you, read on. Otherwise, go to step 2.

Use the letter that appears first in the following order: **A**, **B**, **C**, **D**, **E**. For example, if both **B** and **D** apply to you, use **B**.

Exceptions to this rule:

- If both **A** and **D** apply to you, and your spouse's taxable income was less than $11 730, use **D** as this gives you the correct tax offset. (Include in your spouse's taxable income any net income of a trust estate to which your spouse is presently entitled and on which the trustee is assessed under section 98.)
- If both **A** and **E** apply to you, your spouse received a Commonwealth pension or allowance as listed at question **1** and your spouse's taxable income was less than $9630, use **E** as this gives you the correct tax offset.
- If both **A** and **B** apply to you and your spouse's taxable income was less than $16 883, use **B** as this gives you the correct tax offset. (Include in your spouse's taxable income any net income of a trust estate to which your spouse is presently entitled and on which the trustee is assessed under section 98.)

- If both **A** and **C** apply to you, your spouse received a Commonwealth pension or allowance listed at question **1** and your spouse's taxable income is less than $14 136, use **C** as this gives you the correct tax offset.

**Step 2** Print your code letter from the table on page 54 in the **TAX OFFSET CODE** box ☐ at the right of **N** item **19** on page 3 of your tax return.

**NOTE** If you do not print a code letter on your tax return or you print an incorrect code letter, you may not receive your correct entitlement.

**Step 3** If you or your spouse is a veteran, war widow or war widower (see definition on page 52), read on. Otherwise go to step 4.

From the following list select the veteran code that applies to your circumstance:

- you are a veteran, war widow or war widower **V**
- your spouse is a veteran, war widow or war widower **W**
- you are a veteran, war widow or war widower AND your spouse is a veteran, war widow or war widower **X**

If all of the codes apply, select **X**.

Print your veteran code in the **VETERAN CODE** box ☐ at **Y** item **1** on page 2 of your tax return.

**NOTE** You may have already printed a code in the **VETERAN CODE** box at item **1** on page 2 of your tax return if you are a veteran and you completed item **1**.

**Step 4** Have you used tax offset code (not veteran code) **B**, **C**, **D** or **E**? If so, you must complete **Spouse details—married or de facto** on page 5 of your tax return. Provide relevant details **including**:

- your spouse's date of birth at **K**
- your spouse's taxable income at **O**—if this amount is zero, write '**0**'
- your spouse's share of trust income on which the trustee is assessed under section 98, if it is not already included in your spouse's taxable income, at **T**—if this amount is zero, write '**0**'
- your spouse's Commonwealth government pension income at **P**—if this amount is zero, write '**0**'
- your spouse's exempt pension income at **Q**—if this amount is zero, write '**0**'.

Remember to complete **Your spouse's name** on page 1 of your tax return.

If you are eligible for the Senior Australians tax offset and your spouse is eligible for the Senior Australians or pensioner tax offset, and if either of you does not fully use your tax offset, any unused tax offset may be available for transfer to the other person. By using the amounts you write on the spouse details section of your tax return we will work out if you are entitled to have the unused portion of your spouse's tax offset transferred to you. If an unused amount is available, we will make sure it is taken into account in working out your tax offset.

**NOTE** In working out if there is any unused spouse's Senior Australians or pensioner tax offset available for transfer, your spouse's other credits and tax offsets are not taken into account.

### Example

Sonya is married to Russell and they have lived together for the whole income year. Russell—who is a veteran—has received a service pension. Sonya's taxable income is $17 500 and Russell's is $8300. They are both over pension age and their combined taxable income is less than $58 244. They are both eligible for the Senior Australians tax offset.

Sonya writes code letter **D** at N item **19** on her tax return.

Sonya also writes veteran code letter **W** at Y item **1** on her tax return.

Sonya completes **Spouse details—married or de facto** on page 5 of her tax return, so any tax offset that Russell does not use will be automatically transferred to Sonya to be taken into account when her tax offset is calculated. She also completes **Your spouse's name** on page 1 of her tax return.

**NOTE** A tax offset reduces the amount of tax you have to pay—see page 70.

**DO YOU WANT TO WORK OUT YOUR TAX OFFSET?**

You do not have to work out your tax offset. We will work it out for you from your taxable income details and your tax offset code letter. Make sure you print your code letter at the right of N item **19** on page 3 of your tax return.

If you do want to work out your tax offset, go to pages 93–4.

## Did you receive income from an Australian superannuation annuity or pension?

If you showed income from an Australian annuity or pension at item **2** on your tax return, you may be entitled to a tax offset equal to 15 per cent of all or part of your taxable superannuation or pension income.

If you contributed to a superannuation fund or a retirement savings account during 2001–02 use *TaxPack 2002*. **You cannot complete your tax return using *TaxPack 2002 for retirees*.**

**NO** Go to question **21**. **YES** Read below.

**Question** **How do you know if your annuity or pension qualifies for a tax offset?**

**Answer** Your superannuation annuity or pension statement or original superannuation fund documents will tell you if your annuity or pension qualifies for a tax offset. Your statement or documents will show you how much of your annuity or pension is eligible for the tax offset. If you cannot find your documents or are not sure whether you can claim a tax offset, contact your superannuation provider.

**NOTE** * The **rebatable proportion** is the part of your annuity or pension that may be eligible for the pension tax offset. It may be 1, less than 1, or 0 and depends on the type and amount of annuity or pension. The rebatable proportion is determined by the Australian Taxation Office by measuring your pension or annuity against your RBL.

Before working out your Australian annuity or pension tax offset, you will need:

- to find out the **rebatable proportion***—this will be 1 unless you are issued with a reasonable benefit limit (RBL) determination stating otherwise. Ring the Superannuation Infoline on **13 1020** if you need assistance
- any deductible amount from item **13** on your tax return.

### How to work out your annuity or pension tax offset

(a) Work through steps 1 to 4 if:

- you were 55 years of age before 1 July 2001 or
- you turned 55 on or after 1 July 2001 and your pension started on or after your 55th birthday or
- you are receiving a death or disability pension at any age.

(b) Work through steps 5 to 13 if:

- you turned 55 on or after 1 July 2001 and your pension started before your 55th birthday.

## Completing this question

**Step 1** Take away any deductible amount at item **13** from that part of your annuity or pension which is eligible for the tax offset.

**Step 2** Multiply the answer from step 1 by the rebatable proportion of your annuity or pension.

**Step 3** Work out 15 per cent of the answer you got at step 2. This is your tax offset.

**Step 4** Write your annuity or pension tax offset at **S** item **20** on your tax return. Do not show cents. Your tax return will already have the correct code printed in the code box at item **20**.

Read the example on the next page if you are in one of the categories described at (a) on page 57.

**Step 5** Work out the amount of your annuity or pension that was paid to you on or after your 55th birthday.

**Step 6** Work out the number of days from your 55th birthday to 30 June 2002.

**Step 7** Work out the number of days from the day your annuity or pension started to 30 June 2002. If it started before 1 July 2001, use 365 days.

**Step 8** Divide the number of days at step 6 by the number of days at step 7.

**Step 9** Multiply any deductible amount from item **13** by the answer you got at step 8.

**Step 10** Take away the answer you got at step 9 from the answer at step 5.

**Step 11** Multiply the answer you got at step 10 by the rebatable proportion of your annuity or pension. This proportion will be 1 unless you are issued with an RBL determination stating otherwise.

**Step 12** Work out 15 per cent of the answer you got at step 11. This is your annuity or pension tax offset.

**Step 13** Write your annuity or pension tax offset at **S** item **20** on your tax return. Do not show cents. Your tax return will already have the correct code printed in the code box at item **20**.

**Example**

Tom, who turned 55 on 28 March 2001, received a $17 300 annuity which had a deductible amount of $12 000 in 2001–02.

Tom used the following calculation to work out his tax offset:

| | |
|---|---|
| Amount of his annuity | $17 300 |
| Less his deductible amount | $12 000 |
| Equals | $5 300 |
| Multiplied by the rebatable proportion—in Tom's case 1—equals | $5 300 |
| Multiplied by 15% (15 ÷ 100) | |
| Equals | $795 |

Tom fills in item **20** on his tax return like this:

**20 Superannuation annuity and pension** S ,795.00 A

## Did you pay the premium, or did your employer pay the premium for you, for an appropriate private health insurance policy?

An 'appropriate private health insurance policy' is one provided by a registered health fund for **hospital**, **ancillary**—also known as Extras—**or combined hospital and ancillary** cover where every person covered by the policy is a person who is eligible to claim benefits under the Medicare system. Not all funds are registered. If you are not sure whether your health fund is registered, contact your health fund or visit the Private Health Insurance Administration Council website at <**www.phiac.gov.au**>.

**NO** Go to question **22**. **YES** Read below.

## Did you receive your full entitlement to the 30% private health insurance rebate from your health fund or Medicare?

**NO** Read below. **YES** Go to question **22**.

**Question** What is the 30% private health insurance rebate?

**Answer** The private health insurance rebate is 30% of the premium paid to a registered health fund for appropriate private health insurance cover. The rebate is not affected by your level of income.

The rebate can be claimed as:
- a reduction in your private health insurance premium through the health fund or
- a cash or cheque rebate from Medicare or
- a refundable tax offset at the end of the income year through your tax return or
- a combination of all options.

If you received your **full entitlement** from your health fund or Medicare you **cannot** claim the rebate on your tax return.

**Question** Are you eligible for the 30% private health insurance rebate?

**Answer** You are eligible to claim the rebate if you have paid, or your employer has paid for you, the premium for an appropriate private health insurance policy. If 2 people made payments for the same policy—for example, you made payments from a joint bank account—each person can claim 30% of the proportion they paid .

**Question** How does the rebate work?

**Answer** The rebate is on the premium you paid, or your employer has paid for you, for appropriate health insurance cover including payments made for cover for more than one income year—you work out your entitlement at 30% of the premium paid.

However, if the policy was one that was in existence during the 1998–99 income year and, before 1 January 1999, a person was eligible to apply for registration under the health insurance incentive scheme that operated until that date—the **old incentive scheme**—you may be able to claim more. You should compare the rebate that would have been available if the old incentive scheme was still operating, with that available under the present scheme and claim the higher amount at this question.

The eligibility tests that applied for registration under the old incentive scheme are explained at pages 65–6.

**Question** **Do you need a statement from your health fund to claim the rebate?**

**Answer** Your health fund should have sent you a statement showing the premium you have paid. If you have more than one policy and you paid a premium for more than one policy, you should have received a statement for each policy.

If you did not receive a statement for one or more of your policies you should contact your health fund or you may be able to work out your entitlement at step 2 on the next page.

**NOTE** If you have a statement from **all** of the health funds you paid a premium to and the amounts at **G** on your statement(s) are '**0**' you have already received your full entitlement. You do not need to read any further in this question. Go to question **22**.

## Completing this question

If you have more than one policy you will need to work through the steps below for each policy.

To complete this question you may need:
- a private health insurance statement
- the amount of any cash or cheque rebate received from Medicare for your private health insurance. Go to step 1.

If you did not receive a statement you may also need:
- the amount of the premiums
- the number of days covered by private health insurance
- the amount of premium reduction received from your health fund. Go to step 2.

### Step 1 Where you have a statement for your policy

If you have a statement and:
- no person was eligible to apply for registration under the old incentive scheme, you can claim the amount shown at **G** on your statement less any cash or cheque rebate you have received from Medicare for your private health insurance. Use WORKSHEET 1 on the next page to work out your entitlement.
- a person was eligible to apply for registration under the old incentive scheme, you may have 2 amounts at **G** on your statement—30% of premiums paid, and the rebate that would have been available under the old incentive scheme. You can claim the higher amount less any cash or cheque rebate you have received from Medicare for your private health insurance. Use WORKSHEET 1 on the next page to work out your entitlement.

**WORKSHEET 1**

| | | |
|---|---|---|
| Amount shown at **G** on your statement | (a) | $ |
| Amount of any cash or cheque rebate you have received from Medicare for your private health insurance | (b) | $ |
| Take (b) away from (a). | (c) | $ |

If you have one or more policies with a statement and the amount for each policy at (c) is '**0**' or a negative amount you have already received your full entitlement.

If you have only one policy and the amount at (c) is positive, it is the tax offset that you are eligible to claim at **G** item **21** on your tax return. Do not include cents. Go to step 4 on the next page.

If you have more than one policy and you have statements for all of them, add up the (c) amounts. The total is the tax offset that you are eligible to claim. Do not include cents. Go to step 4.

If you also have a policy for which you do **not** have a statement, go to step 2.

**Step 2** **Where you do NOT have a statement for your policy**

If you do not have a statement you need to use WORKSHEET 2 to help you calculate your tax offset entitlement. You should also use WORKSHEET 3 if a person was eligible to apply for registration under the old incentive scheme.

**WORKSHEET 2—CALCULATING THE 30% AMOUNT**

| | | |
|---|---|---|
| Total premiums paid during the year for the policy* | (d) | $ |
| Multiply (d) by 30. | (e) | $ |
| Divide (e) by 100. | (f) | $ |
| Your premium reduction amount from your health fund—if any | (g) | $ |
| Take (g) away from (f). | (h) | $ |
| Amount of any cash or cheque rebate you have received from Medicare for your private health insurance | (i) | $ |
| Take (i) away from (h). | (j) | $ |

* This is the total amount of premiums before any premium reduction or any cash or cheque rebate you have received from Medicare.

If no person was eligible to apply for registration under the old incentive scheme—as explained on pages 64–6—the amount at (j) is what you are entitled to claim. If (j) is '**0**' or a negative amount you have already received your full entitlement for that policy. However, if you have additional policies without a statement repeat step 2 for each policy.

If you have more than one policy without a statement and no person was eligible to apply for registration under the old incentive scheme, add up the (j) amounts (ignoring any negative amounts). The total is the tax offset you are eligible to claim. Do not include cents. Go to step 3. If (j) is '**0**' or a negative amount you have already received your full entitlement.

If a person was eligible to apply for registration under the old incentive scheme you should use WORKSHEET 3 to find out if the rebate that would have been available under the old incentive scheme is higher than the amount at (j).

### WORKSHEET 3—CALCULATING THE REBATE UNDER THE OLD INCENTIVE SCHEME

Use the table below to work out your maximum annual rebate under the old incentive scheme.

#### Maximum annual rebate amount—old incentive scheme

| Policy type | Hospital cover only | Ancillary cover only | Hospital and ancillary cover |
|---|---|---|---|
| Single | $100 | $25 | $125 |
| Couple | $200 | $50 | $250 |
| Family | $350 | $100 | $450 |

| | | |
|---|---|---|
| Where you had only one type of cover during the year, write the maximum annual rebate for the type of cover under the old incentive scheme from the table above. | (k) | $ |
| Multiply (k) by the number of days the premium provided this type of cover.* | (l) | $ |
| Divide (l) by 365. | (m) | $ |
| If your type of cover changed during the year, repeat steps (k), (l) and (m) for each type of cover and add the answers together for a total figure at (m). Take away from the total at (m) any amount at (g) in WORKSHEET 2. | (n) | $ |
| Take away from (n) any amount at (i) in WORKSHEET 2. | (o) | $ |

* The number of days that you use here relates to the policy, not the calendar or income year.

The amount at (o) is the rebate that would have been available under the old incentive scheme. You are eligible to claim amount (j) in WORKSHEET 2 or amount (o) in WORKSHEET 3—whichever is the higher.

If you have only one policy the higher amount is the tax offset that you are eligible to claim on your tax return. Go to step 4.

If you have more than one policy without a statement work out the higher of the (j) or (o) amount (if applicable) for each policy. Add these amounts together. This is the amount of tax offset that you are eligible to claim.

If you only have policies for which you do not have a statement, go to step 4.

If you have a combination of policies with and without a statement, go to step 3.

**Step 3** **Where you have policies with and without a statement**
Add the (c) amounts you have worked out in WORKSHEET 1 and the higher of the (j) amount you have worked out in WORKSHEET 2 or the (o) amount you have worked out in WORKSHEET 3 for each policy. This is the amount of tax offset that you are eligible to claim.

**Step 4** Write the amount of tax offset that you are eligible to claim at **G** item **21** on your tax return. Do not show cents. Go to step 5.

**Step 5** Print your policy details at **Private health insurance policy details** on page 3 of your tax return—see page 70 for how to complete these details.

**Examples of how to work out your tax offset entitlement:**

### Example 1

Graham and Janet had a policy which provided combined hospital and ancillary cover. They paid the premium fortnightly from a joint account. They did not receive a statement from their private health fund.

Graham and Janet did not receive a reduced premium or any cash or cheque rebate from Medicare.

They did not have any private health insurance cover before 1 January 1999 and so were not eligible to apply for registration under the old incentive scheme.

Janet and Graham use WORKSHEET 2 to calculate their rebate. They do not use WORKSHEET 3 because they were not eligible to apply for registration under the old incentive scheme.

### Example 2

Tony took out a couple policy for combined hospital and ancillary cover for himself and his wife Maria on 1 July 1998. The annual premium was $760. He renewed the policy on 1 July 2001. On 15 June 2002 Maria died. On 16 June 2002 Tony changed the policy to a single policy.

Tony satisfies all of the eligibility tests for the old incentive scheme. However, he did not register for the scheme or receive a reduced premium or any cash or cheque rebate from Medicare.

Tony used WORKSHEET 2 to work out the 30% rebate that he can claim, which is $228—$760 multiplied by 30 then divided by 100.

Because he was eligible to apply for registration under the old incentive scheme he also needs to use WORKSHEET 3.

Using the maximum annual rebate amount—old incentive scheme table Tony worked out what his rebate entitlement would have been for the time that he had a couple policy—1 July 2001 to 15 June 2002 (350 days)—and when he had a single policy—16 June to 30 June 2002 (15 days).

During the time he had a couple policy, Tony's rebate entitlement under the old incentive scheme would have been $239.73. For his single policy his rebate entitlement would have been $5.14. This gives Tony a total of $244.87. Tony would receive a greater benefit under the old incentive scheme compared to the 30% rebate.

Tony fills in item **21** on his tax return like this:

**21 30% private health insurance** Amount of refundable tax offset—not contributions **G** , 2 4 4 .00

You must complete **Private health insurance policy details** below.

Tony also completes **Private health insurance policy details** on page 3 of his tax return.

**The old incentive scheme**

If the private health insurance policy is one that was in existence during the 1998–99 income year and, before 1 January 1999, a person was registered or eligible to apply for registration under the private health insurance incentive scheme that operated until that date—the old incentive scheme—you may be entitled to a larger tax offset than one based on 30% of the premiums you paid this income year. If the policy qualifies, you are entitled to compare the rebate that would have been available if the old incentive scheme was still operating with the present tax offset based on 30% of premiums paid and claim the higher amount.

Any person covered by the policy could have registered, or been eligible to register, under the old incentive scheme if the private health insurance policy was one:

- that was in existence before 1 January 1999 and provided appropriate private health insurance cover for the 1998–99 income year and
- where the annual premium for the 1998–99 income year was above the minimum premium threshold amount (see table below) and
- where certain income tests were satisfied for the 1998–99 income year.

A policy provided appropriate private health insurance cover if it provided hospital cover or ancillary cover or both and the health fund annual premium during the 1998–99 income year was not less than the relevant amount shown in the following table.

**MINIMUM PREMIUM**

| Hospital cover | Ancillary cover |
|---|---|
| 1 person $250 | 1 person $125 |
| 2 or more $500 | 2 or more $250 |

### Income tests

**Single policy income test**—A single policy covers one person only. If you had a single policy and you did not have a spouse at any time in 1998–99, the income test was satisfied if your 1998–99 taxable income was less than $35 000.

If you did have a spouse at any time in 1998–99, the income test was satisfied if **combined taxable income*** for 1998–99 was less than $70 000.

**Couple policy income test**—A couple policy covers 2 adults only. These adults may be related—for example, spouse or sibling—or unrelated. For a couple policy, the income test was satisfied if **combined taxable income*** for 1998–99 was less than $70 000.

**Family policy income test**—A family policy can be:

- cover for one or more adults—related or unrelated—and at least one dependent child. This includes single parent families. The income test was satisfied if **combined taxable income*** for 1998–99 was less than $70 000 plus $3000 for each dependent child after the first dependent child
- cover for 3 or more adults. The income test was satisfied if **combined taxable income*** for 1998–99 was less than $70 000
- cover for 2 or more dependent children only. The income test was satisfied if **combined taxable income*** for 1998–99 was less than $70 000 plus $3000 for each dependent child after the first dependent child.

* **Combined taxable income**—used in the income tests —means:

- the sum of the taxable income of each adult covered by the policy and their spouse—married or de facto—if they had a spouse on 30 June 1999
- for a policy that covered only a dependent child or children, the sum of the taxable income of each parent or guardian and their spouses—married or de facto—if they had a spouse on 30 June 1999. This applies only to a parent or guardian who contributed to the payment of the premiums, or arranged for a third party, such as an employer, to contribute.

Taxable income of a person includes any share of net income of a trust estate to which the person was entitled, and on which a trustee of the trust estate is assessed under section 98 of the *Income Tax Assessment Act 1936*.

If you had a child who was not a dependent child—for example, an adult child, such as an employed 19-year-old who lived with you—AND that child was covered by the policy, then their 1998–99 income must also be included in the combined taxable income amount.

Income derived by any dependent children is not included in the combined taxable income amount.

**Spouse—definition**

Spouse includes a de facto spouse but does not include a person from whom you are permanently separated.

**Dependent child—definition**

A child was regarded as a dependant if all of the following applied:

- the child was under the age of 18 years or a full-time student under the age of 25 years
- the child was covered by the policy and the health fund that issued the policy accepted the child as a dependent child for the purposes of the policy
- the child did not have a spouse—married or de facto.

If the above conditions were satisfied, the private health insurance policy is a policy under which a person was registered, or eligible to be registered, to obtain the benefits of the old incentive scheme. In these circumstances you can compare the rebate that would have been available under the old incentive scheme if it was still operating—see WORKSHEET 3—with the present tax offset based on 30% of the premium you paid—see WORKSHEET 2—and claim the higher amount.

# Question 22

## 20% TAX OFFSET ON NET MEDICAL EXPENSES OVER $1250

### Did you have net medical expenses over $1250 in 2001-02?

Medical expenses do not include contributions to a private health fund, travel or accommodation expenses associated with medical treatment or inoculations for overseas travel.

If you paid medical expenses for a dependant other than a spouse use *TaxPack 2002*. **You cannot complete your tax return using *TaxPack 2002 for retirees.***

**NO** Go to question **23**. **YES** Read below.

**Question** What are net medical expenses?

**Answer** Net medical expenses are medical expenses you have paid less any refunds you received, or are entitled to receive, from Medicare or a private health fund.

The medical expenses can be for:

- you
- your spouse—married or de facto—regardless of their income.

You and your spouse must be Australian residents for tax purposes.

#### What you can claim

You can claim a tax offset of 20 per cent—20 cents in the dollar—of your net medical expenses over $1250. There is no upper limit on the amount you can claim.

You can claim medical expenses paid while travelling overseas.

You can claim expenses relating to an illness or operation paid to **legally qualified** doctors, nurses or chemists and public or private hospitals.

Medical expenses which qualify for the tax offset include payments for:

- dentists, orthodontists or registered dental mechanics,
- opticians or optometrists, including the cost of prescription spectacles or contact lenses
- a carer who looks after a person who is blind or permanently confined to a bed or wheelchair
- therapeutic treatment at the direction of a doctor
- medical aids prescribed by a doctor
- artificial limbs or eyes and hearing aids
- keeping a trained, working guide dog
- cosmetic surgery.

Expenses which **do not** qualify for the tax offset include payments made for:

- inoculations for overseas travel
- non-prescribed vitamins or health foods
- travel or accommodation expenses associated with medical treatment
- chemist type items such as tablets for pain relief purchased at retail outlets or health food stores
- therapeutic treatment if the patient is not formally referred by a doctor—a mere suggestion or recommendation by a doctor to a patient is not enough; the patient must be referred to a particular person for specific treatment
- contributions to a private health fund
- purchases from a chemist that are not related to an illness or operation
- ambulance charges and subscriptions
- funeral expenses.

**Nursing home (Residential aged care facility) expenses**

You can also claim some payments made to a nursing home or hostel—not a retirement home. Since 1 October 1997, payments made to an **approved care provider** for care received by an **approved recipient** of residential aged care qualify for the net medical expenses tax offset. When the care recipient has been assessed as needing care at levels 1 to 7, payments towards residential aged care qualify for the tax offset. If the care recipient does not meet this requirement, but is subsequently reassessed as satisfying it, they would be able to claim a tax offset for qualifying payments made from the date the new classification took effect.

**If you are not sure which level of care you (or the care recipient you are claiming an expense for) have been assessed as requiring, please contact the nursing home or hostel.**

The tax offset does not cover payments made for aged care by:

- people who were residents of a hostel before 1 October 1997 and who did not have a personal care subsidy or a respite care subsidy paid on their behalf at the personal care subsidy rate by the Commonwealth (unless they have subsequently been reassessed as requiring care at levels 1 to 7), or
- people entering aged care on and from 1 October 1997 who have been assessed as requiring level 8 care.

Residential aged care expenses which qualify for the tax offset include:

- daily fees
- income tested daily fees
- extra service fees
- accommodation charges, periodic payments of accommodation bonds or amounts drawn from accommodation bonds paid as a lump sum.

Payments which DO NOT qualify for the tax offset include:

- lump sum payments of accommodation bonds
- interest derived by care providers from the investment of accommodation bonds.

## Completing this question

**Step 1** Add up all your allowable medical expenses. Take away from this total all of the refunds you have received or are entitled to receive. This will give you your net medical expenses.

**Step 2** Take $1250 away from your net medical expenses and then divide the remaining amount by 5 (to get 20 per cent). This is your medical expenses tax offset.

**Step 3** Write your medical expenses tax offset at **X** item **22** on your tax return. Do not show cents.

### Example

Tony had a lot of dental work done this year and also bought new prescription glasses. His total medical costs were $1850 and he received $500 back from his health fund.

Tony worked out his medical expenses like this:

| | |
|---|---|
| Total medical expenses | $1850 |
| Less costs covered by Health Fund | $500 |
| Net medical expenses | $1350 |
| Subtract $1250 | $1250 |
| | $100 |
| Tax offset equals 20 cents for every dollar over $1250—divide $100 by 5 | $20 |

This is Tony's medical expenses tax offset.

Tony fills in item **22** on his tax return like this:

| | | |
|---|---|---|
| **22** | **20% tax offset on net medical expenses over $1250** | **X** 20.00 |

## TOTAL TAX OFFSETS — Question 23

### Did you claim any tax offsets at items 18 to 22?

**NO** Go to question **24**. **YES** Read below.

Add up all the tax offset amounts at items **18** to **22** on your tax return. If you are claiming the Senior Australians tax offset at item **19** the Australian Taxation Office (ATO) will make sure your assessment includes your correct tax offset amount. Do not include this amount in item **23 TOTAL TAX OFFSETS**.

Write the total amount at item **23 TOTAL TAX OFFSETS**. Do not show cents.

**Low income tax offset**

If your **taxable income** is less than $24 450, you may get a tax offset.

The maximum tax offset of $150 applies if your taxable income is $20 700 or less. This amount is reduced by 4 cents for each dollar over $20 700.

The ATO will work out your tax offset and make sure it comes off your tax. The tax offset will be shown on your notice of assessment. **Do not write anything about this tax offset on your tax return.**

**NOTE** With the exception of the 30% private health insurance rebate and the franking tax offset (which applies to imputation credits on dividends paid to you), tax offsets can only reduce the amount of tax you pay to zero. If your tax offsets—other than the 30% private health insurance rebate and the franking tax offset—exceed your tax payable, the excess does not become a refund.

## COMPLETING THIS ITEM — Private Health Insurance Policy Details

If question **21** or **25** asked you to complete this item because you paid, or your employer paid for you, a premium for an appropriate private health insurance policy to a registered fund, you must complete **Private health insurance policy details** on page 3 of your tax return.

If you received a statement from your registered health fund your private health insurance policy details will be shown on the statement. If you did not receive a statement because your employer paid the premium for you, contact your fund or speak to the person who paid the premium.

To check if your health fund is registered, visit the Private Health Insurance Administration Council website at <**www.phiac.gov.au**>.

### How to complete private health insurance policy details

**Step 1** Print the identification (ID) code of your health fund at **B** **Health fund ID** on page 3 of your tax return.

**Step 2** Write your private health insurance membership number at **C** **Membership number**.

**Step 3** In the **TYPE OF COVER** box print the code letter that describes the type of private health insurance cover you had.

| TYPE OF COVER | CODE LETTER |
| --- | --- |
| Ancillary cover—also known as Extras | **A** |
| Hospital cover | **H** |
| Combined hospital and ancillary cover | **C** |

If you changed your type of cover during the year, print the code letter for the type of cover that gave you the highest level of cover. For example, if you had hospital cover and added ancillary cover during the year, use code letter **C**—for combined hospital and ancillary cover.

**Question** **Did you have more than one policy during the year?**

**Answer** If you had up to 5 policies during 2001–02 you will need to complete steps 1 to 3 for each policy. If you had more than 5 policies during 2001–02, complete steps 1 to 3 for the first 5 policies, then on a separate piece of paper print SCHEDULE OF ADDITIONAL INFORMATION—PRIVATE HEALTH INSURANCE POLICY DETAILS. Tell us your name, address and tax file number, and list the ID code, membership number and type of cover for each of the other policies you held. Print **X** in the **YES** box at *Taxpayer's declaration* on page 6 of your tax return. Sign and attach your schedule to page 3 of your tax return.

**Example**

Kel had a policy with Credicare Health Fund which provided hospital cover. During the year he changed his policy to include ancillary cover. His membership number is 1234567.

Kel fills in **Private health insurance policy details** on his tax return like this:

## Private health insurance policy details

**Pages 70–1 in *TaxPack 2002 for retirees* will help you to correctly fill in your details.**

You must provide the details for each policy if item **21** or **25** asked you to complete this section.

| Health fund ID | Membership number | Type of cover |
| --- | --- | --- |
| **B** CPS | **C** 1234567 | C |
| **B** | **C** | |
| **B** | **C** | |
| **B** | **C** | |
| **B** | **C** | |

# Medicare levy

**Medicare is the scheme which gives Australian residents access to health care. To help fund the scheme, resident taxpayers are subject to a Medicare levy. Normally, your Medicare levy is calculated at 1.5 per cent of your taxable income. A variation to this calculation may occur in certain circumstances.**

**Generally, tax offsets do not reduce your Medicare levy. Where you have excess refundable tax offsets available, these can be applied to reduce your tax, including Medicare levy.**

### Q24 Medicare levy reduction or exemption

In some cases you may be exempt from the levy or it may be reduced—this is the subject of question **24**. You only need to complete this question if you belong to an exemption category or you are able to claim a reduction based on family income. Read pages 73–5 to work out if you are eligible for the exemption or the reduction based on family income.

### Q25 Medicare levy surcharge

Individuals and families on higher incomes who do not have private patient hospital cover may have to pay the Medicare levy surcharge—this is the subject of question **25**. This surcharge is in addition to the Medicare levy and is calculated at 1 per cent of your taxable income (including your total reportable fringe benefits). You will need to read pages 76–80 to see if you have to pay the surcharge. QUESTION **25** IS COMPULSORY FOR ALL TAXPAYERS. If you do not complete item **25** on your tax return you may be charged the full Medicare levy surcharge.

**Were you a low income earner or in one of the Medicare levy reduction or exemption categories listed below and on the next page?**

If you:

- were a resident of Norfolk Island or
- have a certificate from the Levy Exemption Certification Unit of the Health Insurance Commission showing that you are not entitled to Medicare benefits

use *TaxPack 2002*. **You cannot complete your tax return using *TaxPack 2002 for retirees*.**

**NO** Go to question **25**. **YES** Read below.

**Most Australians are liable to pay the Medicare levy.**

The normal levy is 1.5 per cent of your taxable income. However, this may vary according to your circumstances. Your taxable income is the amount you wrote at item **17 TAXABLE INCOME** on your tax return.

### Low income earner and Medicare levy reduction categories

**WHAT YOU NEED TO KNOW**

**NOTE** Some of the amounts shown in this question are contained in Taxation Laws Amendment (Medicare Levy and Medicare Levy Surcharge) Bill 2002.

| | Relevant threshold amount | Phase-in limit |
|---|---|---|
| If you are eligible for the Senior Australians tax offset (see pages 52–3) | $20 000 | $21 621 |
| If you are eligible for the pensioner tax offset (see pages 13–16) | $16 570 | $17 913 |
| All other taxpayers | $14 539 | $15 717 |

You do not need to complete this question if:

- your taxable income was equal to or less than the relevant threshold amount. You do not have to pay the Medicare levy.
- your taxable income was more than the relevant threshold amount but equal to or less than the phase-in limit. In either case, your Medicare levy is reduced—calculated at 20 cents for every dollar above the relevant threshold amount but at or below the phase-in limit.

- you had a spouse—married or de facto—on 30 June 2002—or your spouse died during 2001–02—and the combined taxable income of you and your spouse was:
  - if you are eligible for the Senior Australians tax offset (see pages 52–3), more than $31 729 but less than $34 302 OR
  - if you are not eligible for the Senior Australians tax offset, more than $24 534 but less than $26 524. Your Medicare levy is reduced. Complete **Spouse details—married or de facto** on page 5 of your tax return. Provide relevant details including your spouse's taxable income at **O**. If your spouse had no taxable income write '**0**'. You must also complete **Your spouse's name** on page 1 of your tax return.

**NOTE** Where the taxable income of your spouse includes any post-June 1983 elements of an eligible termination payment where the maximum rate is zero, this amount is not included in their taxable income for Medicare levy purposes—if you are unsure of the tax rate, ring the Superannuation Infoline on **13 1020** for assistance. Print SCHEDULE OF ADDITIONAL INFORMATION—QUESTION 24 SPOUSE'S TAXABLE INCOME on a separate piece of paper and write this amount. Include your name, address and tax file number. Print **X** in the **YES** box at the *Taxpayer's declaration* on page 6 of your tax return. Sign and attach your schedule to page 3 of your tax return.

Do not write anything at item **24**. We will work out how much Medicare levy you have to pay. Go to question **25**.

If the above points do not apply to you, read on.

### Medicare levy exemption categories

If you:

- were entitled to full free medical treatment for all conditions under Defence Force arrangements or Veterans' Affairs Repatriation Health Card (Gold Card) or repatriation arrangements or
- are a blind pensioner or received the sickness allowance from Centrelink

you may be exempt or partially exempt from paying the Medicare levy. Read on for more information.

The Department of Veterans' Affairs or Centrelink will provide you with a statement or *PAYG payment summary—individual non business* that shows you the number of days you were in a Medicare levy exemption category.

## Completing this question

**Step 1** You qualify for a full levy exemption if you were in one of the Medicare levy exemption categories above **and either** you did not have a spouse, **or** your spouse was also in an exemption category, or your spouse had to pay the Medicare levy. If this is the case, go to step 2. Otherwise, go to step 3.

**Step 2** Write the total number of days that you were in the full Medicare levy exemption category at **V** item **24** on your tax return. If the number of days you wrote at **V** is less than 365, and you were in one of the exemption categories on the previous page, you may qualify for a half levy exemption. Go to step 3.

> **Example 1**
>
> Rupert receives a Department of Veterans' Affairs part pension. His *PAYG payment summary—individual non business* shows that he was in a Medicare levy exemption category for the full year—365 days. Rupert does not have a spouse.

Rupert fills in item **24** on his tax return like this:

**24 Medicare levy reduction or exemption**

***Exemption categories***

| | | | | |
|---|---|---|---|---|
| Full 1.5% levy exemption—number of days | V | 3 | 6 | 5 |
| Half 1.5% levy exemption—number of days | W | | | |

**Step 3** You qualify for a half levy exemption if you were in one of the Medicare levy exemption categories on the previous page and you had a spouse who was not in an exemption category and who did not have to pay the Medicare levy because of the low income earner threshold. If this is the case, go to step 4. Otherwise, go to step 5.

**Step 4** Write the total number of days that you are entitled to a half levy exemption from paying the Medicare levy at **W** item **24**. Go to step 5.

> **Example 2**
>
> Dulcie is blind and receives an age pension. With her payment summary she received a statement showing that she was in a Medicare levy exemption category for 310 days. Dulcie's husband who is eligible for the Senior Australians tax offset did not have to pay the Medicare levy because his taxable income was below $20 000.

Dulcie fills in item **24** on her tax return like this:

**24 Medicare levy reduction or exemption**

***Exemption categories***

| | | | | |
|---|---|---|---|---|
| Full 1.5% levy exemption—number of days | V | | | |
| Half 1.5% levy exemption—number of days | W | 3 | 1 | 0 |

**Step 5** If you had a spouse at any time during 2001–02, complete **Spouse details—married or de facto** on page 5 of your tax return. Write your spouse's taxable income at **O**. If your spouse had no taxable income write '**0**'. You must also complete **Your spouse's name** on page 1 of your tax return.

# Question 25

STOP

**THIS QUESTION IS COMPULSORY FOR ALL TAXPAYERS.**

**For the WHOLE of 2001–02 did you and your spouse—married or de facto (if you had one)—have private patient hospital cover?**

**NO** Print **X** in the **NO** box at the right of E item **25** on your tax return. Read below.

**YES** Print **X** in the **YES** box at the right of E item **25** on your tax return. Make sure you have completed **Private health insurance policy details**—see pages 70–1 for assistance. Go to **Check that your tax return is complete** on page 81.

**For the WHOLE of 2001–02 were you:**

- **a single person and your taxable income for Medicare levy surcharge (MLS) purposes was $50 000 or less OR**
- **married—including a de facto relationship—and the combined taxable income for MLS purposes of you and your spouse was $100 000 or less?**

**NO** You may have to pay the surcharge. Print **X** in the relevant **NO** box at item **25** on your tax return. Read below.

**YES** You do not have to pay the surcharge for any of the 365 days during the year. Print **X** in the relevant **YES** box at item **25** on your tax return. Go to **Completing this question** on page 80.

If you maintained a child under 16 years of age or a full-time student under 25 or if you have received an amount on which family trust distribution tax has been paid, use *TaxPack 2002*. **You cannot complete your tax return using *TaxPack 2002 for retirees***.

**Question** **What is the Medicare levy surcharge (MLS)?**

**Answer** Individuals and couples on higher incomes who do not have private patient hospital cover pay the MLS based on an extra 1 per cent of their taxable income for any period during 2001–02 that they did not have such cover.

The MLS is in addition to the 1.5 per cent Medicare levy.

**Question** **What is private patient hospital cover?**

**Answer** Generally, private patient hospital cover is cover provided by an insurance policy issued by a registered fund for some or all hospital treatment provided in an Australian hospital or day hospital facility. However, if you take out an insurance policy for hospital cover after 24 May 2000 that contains an annual front-end deductible or excess of $501 or more in the case of a single contributor and $1001 or more for all other contributors, you will not be considered to have private patient hospital cover. The same applies to insurance policies for hospital cover with those annual front-end deductibles or excess taken out before 24 May 2000 that cease to provide continuous cover after that date. If you make a payment to cover a shortfall in the cost of hospital treatment other than the excess agreed in your policy, this is not a front-end deductible or excess. Your health fund should include details of the level of front-end deductible or excess that applies to your policy in the private health insurance statement that it sends you.

Travel insurance is not private patient hospital cover for Medicare levy surcharge (MLS) purposes. Private patient hospital cover does not include cover provided by an overseas or unregistered fund. If you want to check if your health fund is registered, visit the Private Health Insurance Administration Council website at <**www.phiac.gov.au**>.

**Question** **What is ancillary cover?**

**Answer** Ancillary cover is commonly known as 'Extras'. Ancillary cover is NOT private patient hospital cover. It covers items such as optical, dental, physiotherapy or chiropractic treatment.

**Question** **What is your taxable income for MLS purposes?**

**Answer** Your taxable income for MLS purposes is the total of:

- your taxable income, shown at item **17** on your tax return AND
- your total reportable fringe benefits amounts at **W** item **6** on your tax return.

**Question** **When do you have a spouse?**

**Answer** A spouse is a person to whom you are legally married or with whom you are in a de facto relationship. You are treated as not being married if you are living separately and apart from that person.

**NOTE** If your spouse died during the year and you did not have another spouse before the end of the year, you are considered to have had a spouse until the end of 2001–02 and you retain the benefit of the married surcharge threshold of $100 000.

The taxable income of your spouse for MLS purposes is the total of:

- your spouse's taxable income AND
- your spouse's total reportable fringe benefits amounts AND
- any share in the net income of a trust estate to which your spouse is presently entitled and on which the trustee of the trust is assessed under section 98 of the *Income Tax Assessment Act 1936* and which has not been included in your spouse's taxable income AND
- the net amount on which family trust distribution tax has been paid which your spouse would have had to show as assessable income if that tax had not been paid
  LESS
- any post-June 1983 elements of an eligible termination payment where the maximum tax rate is zero. If you are unsure of the tax rate, you can ring the Superannuation Infoline on **13 1020** for assistance.

**Question** **Will you have to pay the surcharge?**

**Answer** You will have to pay the surcharge for any period that you or your spouse—if you had one for the whole year—did NOT have private patient hospital cover during 2001–02 AND you were:

- single with a taxable income for MLS purposes greater than $50 000 or
- married and the combined taxable income for MLS purposes of you and your spouse was above $100 000.

**NOTE** The amount marked with an asterisk (*) is contained in Taxation Laws Amendment (Medicare Levy and Medicare Levy Surcharge) Bill 2002.

If the combined taxable income for Medicare levy surcharge (MLS) purposes of you and your spouse was above $100 000 but your own taxable income was at or below $14 539* you are not liable for the surcharge. However, your spouse may still be liable.

It is possible that both the single and married surcharge thresholds will apply to you at different periods during 2001–02.

If only one of the thresholds—single or married—applied to you for the whole of 2001–02 and

- your taxable income or combined taxable income for MLS purposes did not exceed the relevant threshold—you are not liable for the surcharge, for any of the 365 days during the year. Go to **Completing this question** on page 80.
- your taxable income or combined taxable income for MLS purposes exceeded the relevant threshold and you were not in one of the exemption categories on page 74 or you did not have private patient hospital cover during 2001–02—you will have to pay the surcharge for the whole of 2001–02. Go to **Completing this question** on page 80. Otherwise, read on.

**Question** **Which income threshold do you use if you had a new spouse or separated from your spouse during the year?**

**Answer** Only read this section if you married or separated from your spouse during 2001–02.

To work out if you are liable for the surcharge during any period you were single apply the single surcharge threshold—$50 000—to your own taxable income for MLS purposes.

To work out if you are liable for the surcharge during any period of 2001–02 you had a spouse, apply the married threshold—$100 000—to your own taxable income for MLS purposes.

### Example 1

Roma separated from Roy on 12 October 2001 and both stayed single. For 2001–02, Roy's taxable income for MLS purposes was $15 000 and Roma's taxable income for MLS purposes was $51 000. Roma and Roy did not have private patient hospital cover at any time during 2001–02. Roma and Roy are not in a Medicare levy exemption category.

As they were married for the period 1 July 2001 to 12 October 2001—104 days—they are each entitled to a surcharge threshold of $100 000 for this period. For the period 1 July 2001 to 12 October 2001, Roma is not liable for the surcharge as her taxable income for MLS purposes of $51 000 was under this surcharge threshold. Roy is also not liable for the surcharge for this period as his taxable income for MLS purposes of $15 000 was also under this surcharge threshold.

For the period 13 October 2001 to 30 June 2002—261 days—the single person surcharge threshold of $50 000 applies to both of them. For this period, Roy is not liable for the surcharge because he had a taxable income for MLS purposes of $15 000.

Roy writes 365 at **A** item **25** on his tax return.

Roma is liable to pay the surcharge for the period 13 October 2001 to 30 June 2002—261 days—because her taxable income for MLS purposes was $51 000.

Roma writes the number of days in 2001–02 that she is NOT liable for the surcharge—104—at **A** item **25**.

Roma completes **Spouse details—married or de facto** on page 5 of her tax return.

**Question** **What if you are exempt from the Medicare levy?**

**Answer** Only read this section if you were exempt or partially exempt from the Medicare levy at any time during 2001–02. For more information on the exemption categories for the Medicare levy, read page 74.

If you were in an exemption category for the whole of 2001–02 and you did not have a spouse; or if you had a spouse and they were also in an exemption category and/or they had private patient hospital cover for the whole of 2001–02, you do not have to pay the surcharge for the full year—365 days. Go to **Completing this question** on page 80.

If the taxable income for Medicare levy surcharge (MLS) purposes of you and your spouse—if you had one—was above the relevant threshold, you are liable for the surcharge for any period during 2001–02 that:

- you were not in an exemption category and did not have private patient hospital cover or
- your spouse was not in an exemption category and did not have private patient hospital cover.

**Question** **What if you had private patient hospital cover for only part of the year?**

**Answer** Only read this section if you had private patient hospital cover for part of the year.

If you and your spouse—if you had one—were not in a Medicare levy exemption category at any time during 2001–02 and your taxable income or combined taxable income for MLS purposes was above the relevant threshold, you are liable for the surcharge for the number of days you or your spouse did not have private patient hospital cover during 2001–02. Go to **Completing this question** on page 80.

**Example 2**

Lance is not married and has a taxable income for MLS purposes of $59 000. He was not in a Medicare levy exemption category at any time during the year.

Lance took out private patient hospital cover on 15 December 2001.

Because Lance's taxable income is above the single surcharge threshold of $50 000 and he did not have private patient hospital cover for the full year he will have to pay the MLS for the part of the year that he did not have private patient hospital cover.

Lance will NOT have to pay the surcharge for the number of days he had private patient hospital cover—15 December 2001 to 30 June 2002—198 days.

Lance writes the number of days in 2001–02 that he is NOT liable for the surcharge—198—at A item **25** on his tax return and complete **Private health insurance policy details**.

## Completing this question

**Step 1** Write the number of days during 2001–02 that you do NOT have to pay the surcharge at **A** item **25**.

- If you have to pay the surcharge for the whole period 1 July 2001 to 30 June 2002 write '**0**' at **A**.
- If for the whole period 1 July 2001 to 30 June 2002 you do NOT have to pay the surcharge write '**365**' at **A**.
- If you have to pay the surcharge for part of the period 1 July 2001 to 30 June 2002 write the number of days you do NOT have to pay the surcharge at **A**.

**Step 2** If you had a spouse during 2001–02 and you and your spouse were not covered by private patient hospital cover for the full year, complete **Spouse details—married or de facto** on page 5 of your tax return.

If you had a spouse for **all** of 2001–02 include:

- your spouse's taxable income at **O***
- your spouse's share of trust income on which the trustee is assessed under section 98 and which has not been included in your spouse's taxable income at **T***
- the net amount of any distributions to your spouse on which family trust distribution tax has been paid which your spouse would have had to show as assessable income if that tax had not been paid at **U***
- your spouse's total reportable fringe benefits amounts at **S***.

You must also complete **Your spouse's name** on page 1 of your tax return.

**NOTE** * If you cannot find out the exact amount of any component of your spouse's taxable income for MLS purposes, you may make a reasonable estimate.

**Step 3** If you had private patient hospital cover at any time during the year you must complete **Private health insurance policy details** on page 3 of your tax return—see page 70.

You have now completed this question. Go to **Check that your tax return is complete** on the next page.

### DO YOU WANT TO WORK OUT YOUR SURCHARGE?

You do not have to work out your MLS. We will work it out based on the information you provide. If you would like to work it out for your records, see page 96.

# CHECK THAT YOUR TAX RETURN IS COMPLETE



Use this checklist to make sure your tax return is complete before you lodge it with the Australian Taxation Office (ATO). Please use the envelope provided with your *TaxPack 2002 for retirees* to lodge your tax return. If you don't have an envelope see page 82 for the address to use.

## CHECK THAT YOU HAVE

- ◯ read page 2 to confirm that you are eligible to use *TaxPack 2002 for retirees*
- ◯ written your tax file number
- ◯ filled in all your personal details—including your spouse's name (if you had a spouse)
- ◯ filled in the appropriate details for electronic funds transfer if you want to have your refund paid directly into a financial institution account
- ◯ written totals at items **5**, **9**, **16**, **17** and **23**
- ◯ filled in the code boxes at items **1** and **19**
- ◯ attached to page 3 of your tax return copies of:
  - any *PAYG payment summaries—individual non business*—for example, from Centrelink, superannuation funds, payers
  - all letters or statements from your payer that detail income and tax withheld
  - any statutory declarations required
  - other attachments as instructed by any section or question
- ◯ completed item **25** of your tax return—all taxpayers must answer this question
- ◯ completed **Spouse details—married or de facto** (if applicable)
- ◯ read **Self-assessment—it's your responsibility** on page 8
- ◯ read, completed, **signed** and dated the *Taxpayer's declaration* on page 6 of your tax return
- ◯ kept copies of your tax return, all attachments and relevant papers for your own records. Unless you are subject to a shorter period of review (see page 8) you are required to keep written evidence for 5 years after the end of the income year.

If you are subject to a shorter period of review you need to keep these records:

- for 2 years after the due date for payment if you had a taxable notice of assessment or
- for 2 years from the 30th day after you received your notice advising you that no tax is payable.

### When can you expect your notice of assessment?

**Our current standard for processing tax returns is 6 weeks. To allow for time in the mail, please wait 7 weeks. After that time you can ring 13 2865 to check on the progress of your tax return.**

# WHERE TO LODGE YOUR TAX RETURN

To make sure your tax return is processed as quickly as possible, use the pre-addressed envelope enclosed with your copy of *TaxPack 2002 for retirees*. The address shown on the pre-addressed envelope is the official lodgment address—if you post your tax return to an address other than this, you may experience delays.

**The envelope is only for lodgment of your tax return and its attachments and/or for your *2002 non-lodgment advice*.** You must send other correspondence to Australian Taxation Office (ATO) locations listed on page 98.

If you did not receive an envelope with your copy of *TaxPack 2002 for retirees*, or you have misplaced it, please post your tax return in a business size envelope to:

**Australian Taxation Office**
**GPO Box 9845**
**IN YOUR CAPITAL CITY**

### What you need to know

The address as shown must appear on your envelope—if you are posting your tax return within Australia. 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 a postcode.

You cannot lodge your tax return electronically through the ***TAX**PACK**EXPRESS*** service using *TaxPack 2002 for retirees*. If you want to lodge your tax return electronically through the ***TAX**PACK**EXPRESS*** service at a post office or at the office of a participating registered agent, use *TaxPack 2002*.

## If you are lodging from overseas

If you are lodging from outside Australia, choose *e-tax* and lodge your tax return over the Internet—most tax returns lodged using *e-tax* are processed within 14 days. Visit the ATO website at <**www.ato.gov.au**>. Alternatively, use the pre-addressed envelope but cross out IN YOUR CAPITAL CITY and replace with MELBOURNE VIC 3001 AUSTRALIA. Please cross out the barcode that appears at the top of the address.

## If you cannot lodge by 31 October 2002

If you cannot lodge your tax return by this date due to circumstances beyond your control, contact us as soon as possible—and certainly before 31 October 2002—to find out if you can lodge at a later date. Ring Personal Tax Infoline on the inside back cover or send a written request to the address that appeared on your 2001 notice of assessment or your nearest tax office—addresses are listed on page 98. Explain why you need to lodge late and suggest another date. We will consider your request and reply in writing. The following explanations will not normally be accepted as reasons for allowing a late lodgment: a delay in receiving your payment summary, losing your payment summary or being absent from Australia.

If you have not received your payment summary or you have lost it, see **Late, lost or wrong payment summaries** on page 22.

Don't delay sending your tax return, even if you think you will owe tax. If you lodge your own tax return, your tax is payable 21 days after your return is due for lodgment, irrespective of the date you are advised of the debt. The earliest due date for any 2001–02 personal tax debt is 21 November 2002.

If you lodge your tax return late, or not at all, any tax will be payable and general interest charge will be calculated from 21 November 2002. In addition a failure to lodge on time (FTL) penalty may be applied—see page 9.

Before you lodge your tax return, make sure you have read **Self-assessment —it's your responsibility** on page 8.

Following processing, the Australian Taxation Office (ATO) will send you a notice of assessment. Your notice of assessment is an itemised account of the amount of tax you pay or the refund you are entitled to.

### What if you made a mistake on your tax return?

If you realise that you did not include something on your tax return that you should have, or there is some other error on your tax return, you need to correct it as soon as possible by requesting an amendment.

To request an amendment, write a letter to the ATO. To find out what information you need to include in your letter, read the section titled **What do you need to include in your amendment request or objection letter?** on page 86.

**Is there any time limit for you to request an amendment or lodge an objection?**

Your amendment request must be lodged within 4 years of the due day for payment (or 2 years if you meet the shorter period of review requirements).

For 2001–02, if a due date for payment is not specified on your notice of assessment and

- you lodge your tax return by 31 October 2002, the amendment request must be lodged within 4 years (or 2 years if you meet the shorter period of review requirements) of the later of 21 November 2002 or 21 days after you receive your notice of assessment
- you do not lodge your tax return by 31 October 2002, the amendment request must be lodged within 4 years of 21 November 2002 (or 2 years if you meet the shorter period of review requirements).

If, after lodging your tax return, you voluntarily tell us that you made a mistake and an amendment will result in your paying more tax, the amount of penalty that may otherwise have been imposed will, in most cases, be reduced.

However, if you have used *TaxPack 2002 for retirees* properly, as explained on the inside front cover, and have made an honest mistake (for example, you transferred an amount incorrectly onto your tax return), you will not be charged a penalty, although you may have to pay a GIC on any shortfall of tax. Our decision will be based on your particular circumstances that you explain in your letter.

If you made the mistake because something in *TaxPack 2002 for retirees* was misleading, you will not be charged any penalty or GIC on any shortfall of tax.

**It is very important that your letter provides an explanation of why you made the mistake so that we can assess any penalties or GIC correctly.**

Post your letter and attachments to the tax office that sent your notice of assessment. Keep a copy of your letter for your records. Do not send in another tax return unless we ask you to.

If you have an enquiry about your tax assessment or other tax affairs, you can contact us. Please note that if you are asked below to provide your tax file number (TFN) to the Australian Taxation Office (ATO), this is **not** compulsory. However, if you do not provide your TFN you will need to provide other personal details to confirm your identity.

## It's quicker by phone

When you ring we will ask you to provide your TFN and other information to confirm your identity—for example, details from a recent notice of assessment.

If you want a representative to ring on your behalf, you must provide written authorisation beforehand to the ATO. Your representative will need to quote this authorisation and also provide information to prove their identity.

This requirement is to protect your privacy.

**Telephone tips**

If you are ringing the ATO, the following tips will help you to get quicker and more efficient service.

- See the inside back cover for the correct telephone number to ring.
- Avoid ringing during the busy times. The busiest times are Mondays, the days after public holidays and between 10 a.m. and 2 p.m. each day.
- Your call will be placed in a queue and answered by the first available operator—do not hang up. If you hang up and redial, you will be placed at the end of the queue.
- Have near the phone a copy of *TaxPack 2002 for retirees* and any taxation documents you want to talk about. Have a pen and paper handy so you can take down any relevant information.
- Check that it is the ATO that you need to contact. The ATO logo—shown at left—will be prominently displayed on any official documents or letters you receive.

Australian Taxation Office

## If you write

Provide your full name and your address. Please provide your telephone number if it is convenient. You could include your TFN, but it is not compulsory. Remember to sign the letter.

## If you visit

If you prefer to make your enquiry in person, we request that you make an appointment by phone. The number to ring for an appointment is **13 2861**. Bring along your most recent notice of assessment. If you do not have a notice of assessment, bring along your TFN or a letter from the ATO, and some identification that has your photograph, such as a drivers licence or passport.

If you want a representative to visit on your behalf, they must show the letter of authorisation and provide proof of their identity.

***Reserve Bank of Australia***

If you receive a refund cheque with your notice of assessment, all details on the cheque are provided to the Reserve Bank of Australia to assist in clearing your refund.

## How do you know how much you have to pay?

Your notice of assessment will tell you how much tax you have to pay, if any, and when you must pay to avoid a general interest charge (GIC) for late payment.

## When do you pay your tax debt?

You must lodge your income tax return by 31 October 2002, unless you have been given a deferral of time to lodge, or it is being prepared by a registered tax agent.

If you lodge your tax return on time, any tax payable will be due either:

- 21 days after you receive your notice of assessment, or
- 21 days after your tax return was due to be lodged

which ever is the later.

If you prepare your own tax return and it is lodged by 31 October 2002, any tax payable will be due no earlier than 21 November 2002.

If you have contacted the Australian Taxation Office (ATO) and been given a deferral of time to lodge your tax return, any tax payable will be due no earlier than 21 days after the deferred date for lodgment.

If you do not lodge your tax return on time, the law treats your tax as being payable 21 days after your tax return was due for lodgment, irrespective of the date you are advised of the debt.

A GIC will accrue on any amount that is not paid by the due date for payment.

If you need more information, ring the cash management helpline on FREECALL **1800 815 886**.

If you cannot pay your debt on time, you should contact us via email at this address—**debtpayment@ato.gov.au**—or ring the debt collection helpline on **13 2550** and explain your reasons. You may need to provide written details of your finances, including a statement of your assets and liabilities and details of your income and expenditure. The ATO will want to know what steps you have taken to obtain funds to pay your debt and what steps you are taking to make sure you meet future tax debts. You may be given extra time, depending on your circumstances.

**NOTE** Payments cannot be made by credit card and are not accepted over the counter at ATO*access* sites. Payments can be made at any post office, by mail, or via Bpay. Additional information regarding payment options can be found on the back of your notice of assessment or by ringing the Personal Tax Infoline on the inside back cover.

If you are allowed extra time to pay, you are required to pay GIC which is tax deductible in the income year it was incurred. The law provides remission of the GIC in limited circumstances. This means that the Commissioner of Taxation may excuse you from all or part of the GIC. For further information, ring the debt collection helpline on **13 2550**.

## What if payment will cause you serious hardship?

Serious hardship exists when you are unable to provide food, accommodation, clothing, medical treatment, education or other necessities for you or your family or other people for whom you are responsible.

You can apply to the Tax Relief Board for a release from payment of your tax debt. The ATO can give you further information and an application—ring the debt collection helpline on **13 2550**.

# WHAT CAN YOU DO IF YOU THINK YOUR ASSESSMENT IS WRONG?



You can have your assessment checked. The quickest way to do this is to ring the Personal Tax Infoline on the inside back cover. Make sure you have carefully checked all the details on your notice of assessment. Remember to have your notice of assessment and, if possible, a copy of your tax return with you.

## What if you disagree with a decision relating to your assessment?

You can write to the Australian Taxation Office (ATO) and object to your assessment. When you lodge an objection you have a formal right of appeal against the decision.

## What do you need to include in your amendment request or objection letter?

Make sure you:

- include your tax file number and the year of the assessment
- include your name, address and, if convenient, give your daytime phone number so we can contact you to talk about your letter if necessary
- include full details of the amendment or objection including the tax return item number and description affected by the change, the amounts to be added or changed and details of the claim type—if applicable
- include an explanation of the error if it occurred because you made a mistake on your tax return so that we can assess any penalties or general interest charge correctly
- use the word **object** if you are objecting and give full details of what you think is wrong
- if you believe the error was made by the ATO, use the words **ATO error** in your letter
- include a copy of your notice of assessment and copies of any relevant papers or documents such as receipts
- include the following declaration in your objection letter: 'I declare that all the information I have given in this letter, including any attachments, is true and correct'.
- sign and date the declaration
- keep a copy of your amendment request or objection letter for your records
- post your amendment request or objection letter to:

  Deputy Commissioner of Taxation
  Personal Tax I & C
  PO Box 47
  Albury NSW 2641.

## How will you know what the ATO decides?

The ATO will either write to you or send you a notice of amended assessment or both. If your amendment or objection is successful, you are entitled to interest on any tax you have overpaid.

## What if you still disagree with your assessment?

If you are not satisfied with our decision on your objection, you have the right to apply to the Administrative Appeals Tribunal, which incorporates the Small Taxation Claims Tribunal, for a review of the decision; or you can appeal to the Federal Court.

The Small Taxation Claims Tribunal is an inexpensive process for resolving disputes about objections. Details about whether this tribunal is an option for you will be attached to our decision about your objection.

Some decisions are not reviewable as outlined. If this applies to you, we will let you know and provide details of any alternative review rights.

## HOW IS YOUR PRIVACY PROTECTED

The Taxation Acts have secrecy provisions that prohibit any officer of the Australian Taxation Office (ATO) or any other government agency from accessing, recording or disclosing anyone's tax information, except in performing their duties. A person can be fined up to $10 000 and sentenced to 2 years in prison for breaking these provisions.

In addition, the *Privacy Act 1988* protects personal information held by Commonwealth of Australia government agencies. It also protects tax file numbers (TFNs), no matter who holds them.

### Who else can be given your tax information?

The ATO can give your information to some other government agencies, such as Centrelink, which are named in law. This is usually to check eligibility for government benefits, for law enforcement purposes or for collecting statistics. Any further use of your information by these agencies is controlled by law. ATO officers can also disclose your information to these and other agencies in performing their duties.

Otherwise, the ATO can give personal information only to you or to someone who can show that they have your permission to act for you.

### Who can ask you for your TFN?

Only certain people and organisations can ask you for your TFN. These include employers, some Commonwealth of Australia government agencies, trustees for superannuation funds, higher education institutions and investment bodies such as banks. You do not have to give your TFN but there may be consequences if you do not. For example, if you are applying for a pension and you do not give your TFN, you may not be paid the pension.

If you need more information about how the tax laws protect your personal information, or have any concerns about how the ATO has handled your personal information, ring the Personal Tax Infoline on the inside back cover.

## Freedom of information

The *Freedom of Information (FOI) Act 1982* gives you the right to see your tax return and other documents—for example, public rulings and determinations, group certificates, payment summaries and notices of assessment. In some circumstances this information may be provided free of charge, but usually there is a charge to cover the time and expense involved in getting the information for you. We suggest you ring before you ask for information under the FOI Act. Ring the Personal Tax Infoline on the inside back cover.

**Please keep copies of your tax returns, as a request for a copy from the ATO may involve a charge.**

**It is important that you are aware of your rights and obligations when dealing with the Australian Taxation Office (ATO).**

These are explained in the *Taxpayers' Charter*, along with the service and other standards you can expect from the ATO.

When we make a decision about your tax affairs, we will tell you about your rights and obligations in relation to that decision. We will also give you contact details in case you have any queries or need more information.

The publications *Taxpayers' Charter* (NAT 2547—7.1999) and the *Taxpayers' Charter Summary* (NAT 2548—7.1999) are available on the ATO website at <**www.ato.gov.au**>. Or to find out how to get a printed copy, see the inside back cover.

# YOUR RIGHT TO COMPLAIN

If you are dissatisfied with a particular decision, service or action of the Australian Taxation Office (ATO), you have the right to complain, as set out in the *Taxpayers' Charter*.

The ATO recommends that you:

- first, try to sort it out with the tax officer you have been dealing with (or ring the contact number you have been given)
- if you are not satisfied, talk to the tax officer's manager
- if you are still not satisfied, ring the ATO's complaints line on **13 2870**.

You can also make a complaint by writing to Complaints, Australian Taxation Office, Locked Bag 3120, Melbourne 3001 or send a FREEFAX on **1800 060 063**.

## The Commonwealth Ombudsman

If you are not satisfied with the decisions or actions of the ATO, you can raise the matter with the Commonwealth Ombudsman's Special Tax Adviser. Before looking into a matter, the Special Tax Adviser may request that a complainant approach the ATO's complaints areas.

The Commonwealth Ombudsman's office can investigate most complaints relating to tax administration and may recommend that the ATO provides a solution or remedy to your problem. Investigations are independent, private, informal and free of charge.

Ring the Commonwealth Ombudsman's office on the National Complaints Line **1300 362 072** or visit your nearest Commonwealth Ombudsman's office (located in all Australian capital cities). You can also visit the Commonwealth Ombudsman's website at <**www.ombudsman.gov.au**> or write to:

**The Special Tax Adviser**
**Commonwealth Ombudsman**
**GPO Box 442**
**Canberra ACT 2601**

## The Privacy Commissioner

The Privacy Commissioner receives complaints under the *Privacy Act 1988* and tax file number guidelines. You can contact the Privacy Commissioner by ringing the privacy hotline on **1300 363 992** or by writing to the Privacy Commissioner, GPO Box 5218, Sydney 1042.

# information

| | |
|---|---|
| INCOME | You show this amount at item **9 TOTAL INCOME** on your tax return. |
| **minus** | |
| ALLOWABLE DEDUCTIONS | You show this amount at item **16 TOTAL DEDUCTIONS** on your tax return. |
| **equals** | |
| TAXABLE INCOME | You show this amount at item **17 TAXABLE INCOME** on your tax return.<br>We use this total to work out **TAX ON TAXABLE INCOME**. If you want to work it out, see page 91. |
| TAX ON TAXABLE INCOME | |
| **minus** | |
| TAX OFFSETS | You show most tax offsets at item **23 TOTAL TAX OFFSETS** on your tax return. If you are entitled to a low income, Senior Australians or pensioner tax offset, we work it out for you. If you want to work it out, see pages 92–4. Any refundable tax offsets are included in the amount for the credits and refundable tax offsets below. |
| **equals** | |
| NET TAX PAYABLE | |
| **plus** | |
| HECS AND SFSS LIABILITY | If you have to repay a Higher Education Contribution Scheme (HECS) debt or Student Financial Supplement Scheme (SFSS) debt, we work out your repayment. |
| **plus** | |
| MEDICARE LEVY AND SURCHARGE | We work these out from items **24** and **25** on your tax return. If you want to work them out, see pages 95–6. |
| **minus** | |
| TAX CREDITS AND REFUNDABLE TAX OFFSETS | We work these out from any amounts of tax you paid during the year (which have not been credited or refunded) and any refundable tax offsets such as any imputation credit from item **8** or any amount shown at item **21**. |
| **equals** | |
| REFUND OR AMOUNT OWING | We show this on your notice of assessment. Your entitlement to a refund may be affected by any outstanding liabilities to the Australian Taxation Office. These amounts will appear on your notice of assessment as 'Other amounts payable'. |

# information

You do not have to work out your tax refund or tax debt. We will work it out from the information you provide on your tax return and advise you of the result on your notice of assessment.

If you do want to work out your tax refund or tax debt for your own purposes, we show you how on the following pages.

There are some situations, however, where we cannot show you how to work out your tax refund or tax debt because the nature of the calculation is too complex to explain in *TaxPack 2002 for retirees*.

These are situations where you:
- are entitled to use your spouse's unused pensioner or Senior Australians tax offset
- are entitled to a Medicare levy reduction because the combined taxable income of you and your spouse is more than $31 729 but less than $34 302 if you are eligible for the Senior Australians tax offset—see pages 52–3—or more than $24 534 or less than $26 524 if you are NOT eligible for the Senior Australians tax offset
- have a Higher Education Contribution Scheme debt
- have a Student Financial Supplement Scheme debt.

**Working out your tax refund or tax debt**

To do this you need to work out:
- the tax on your taxable income—part A
- your low income tax offset, if any—part B
- your pensioner or Senior Australians tax offset, if any—part C
- your Medicare levy amount, if any—part D
- your Medicare levy surcharge amount, if any—part E.

### Tax-free threshold

To work out the tax on your taxable income you need to know your tax-free threshold. This is the amount of income you can earn before tax must be paid.

For most people the tax-free threshold is $6000.

# WHAT YOU NEED TO KNOW BEFORE YOU CAN WORK OUT YOUR TAX REFUND OR TAX DEBT

## PART A Tax on taxable income

To work out the tax on your taxable income use the table below.

**TABLE**

| *Taxable income* | *Tax on this income* |
|---|---|
| $1–$6000 | Nil |
| $6 001–$20 000 | 17 cents for each $1 over $6000 |
| $20 001–$50 000 | $ 2 380 + 30 cents for each $1 over $20 000 |
| $50 001–$60 000 | $11 380 + 42 cents for each $1 over $50 000 |
| $60 001 and over | $15 580 + 47 cents for each $1 over $60 000 |

Note: To work out your tax, identify the income amount less than but nearest your taxable income and the tax on that income, and use at (b) and (c).

Tax on: $6000 is nil
$20 000 is $ 2 380
$50 000 is $11 380
$60 000 is $15 580

**Example**

| | | |
|---|---|---|
| Copy taxable income from item **17 TAXABLE INCOME** on your tax return | $ 25 682 | (a) |
| Amount in taxable income column less than but nearest your taxable income | $ 20 000 | (b) |
| Tax on (b) | $ 2 380.00 | (c) |
| Tax on remaining income: Take (b) away from (a) | $ 5 682 | (d) |
| Tax on remaining income: Tax rate applied to (d) | $ 0.30 | (e) |
| Multiply (d) by (e) | $ 1 704.60 | (f) |
| **Tax on your taxable income** Add (c) and (f) | $ 4 084.60 | |

Go to **WORKING OUT YOUR TAX**.

**WORKING OUT YOUR TAX**

**Calculate your tax here**

| | | |
|---|---|---|
| Copy taxable income from item **17 TAXABLE INCOME** on your tax return | | (a) |
| Amount in taxable income column less than but nearest your taxable income | | (b) |
| Tax on (b) | | (c) |
| Tax on remaining income: Take (b) away from (a) | | (d) |
| Tax on remaining income: Tax rate applied to (d) | | (e) |
| Multiply (d) by (e) | | (f) |
| **Tax on your taxable income** Add (c) and (f) | | |

## PART B Low income tax offset

If your taxable income is $24 450 or more, you are not entitled to the tax offset. Go to part C.

If your taxable income is $20 700 or less, you are entitled to the maximum tax offset of $150. The tax offset reduces by 4 cents for each dollar of taxable income over $20 700.

Use the worksheet to work out your tax offset if your taxable income is more than $20 700 but less than $24 450.

### WORKSHEET

| | | |
|---|---|---|
| Maximum tax offset | (a) | $ 150 |
| Write your taxable income here. | (b) | $ |
| Threshold at which tax offset reduces | (c) | $20 700 |
| Take (c) away from (b). | (d) | $ |
| Divide (d) by 100. | (e) | $ |
| Multiply (e) by 4. | (f) | $ |
| Take (f) away from (a). | (g) | $ |

The amount at (g) is the tax offset you are entitled to. You can use the amount at (g) when you work out your tax refund or tax debt on page 97.

Do not write the amount at (g) anywhere on your tax return. We will work out your low income tax offset and make sure it reduces your tax.

## PART C Pensioner or Senior Australians tax offset (from question 1 or 19)

If you want to work out your tax offset, you need to know your taxable income. This is the amount you showed at item **17 TAXABLE INCOME** on page 2 of your tax return.

There are 2 tax offset thresholds tables—table A below applies to the Senior Australians tax offset and table B on the next page applies to the pensioner tax offset.

If you have a spouse and your taxable income is more than the relevant amounts in COLUMN 2 of table A or table B—whichever applies to you—you may still get a tax offset because of a transfer of the unused portion of your spouse's Senior Australians or pensioner tax offset.

If you are eligible for a pensioner tax offset you will not be able to work out your tax offset if:

- you used tax offset code letter **S**, **Q**, **I** or **J** and you received more than $10 701 pension income
- you used tax offset code letter **P** and you received more than $8931 pension income.

Refer to note 2 in table B on the next page for more information.

Do not write your tax offset amount anywhere on your tax return.

**Step 1** Find the tax offset code letter that applies to you in the relevant TAX OFFSET THRESHOLDS table (A or B) below and on the next page. This is the code letter you showed at either item **1** or item **19**.

**Step 2** You may get up to the full tax offset shown in COLUMN 3 if your taxable income is equal to or less than the amount in COLUMN 1 for your tax offset code letter. If your taxable income is more than the amount in COLUMN 1 and less than the amount in COLUMN 2, use the **HOW TO WORK OUT YOUR TAX OFFSET** table on the next page.

### TABLE A—SENIOR AUSTRALIANS TAX OFFSET THRESHOLDS

| *Your pensioner code letter* | *Your Senior Australians code letter* | COLUMN 1 *You may get up to the full tax offset if your taxable income is equal to or less than this amount* | COLUMN 2 *You will not get a tax offset if your taxable income is equal to or more than this amount* [1] | COLUMN 3 *Maximum tax offset* |
|---|---|---|---|---|
| **S**, **Q***, **J*** | **A** | $20 000 | $37 840 | $2230 |
| **I*** | **B***, **C*** | $18 883 | $35 203 | $2040 |
| **P*** | **D***, **E*** | $16 306 | $29 122 | $1602 |

[1] For the code letters with an asterisk (*) you may still get a tax offset because of a transfer of the unused portion of your spouse's pensioner or Senior Australians tax offset. We will work it out for you.

## TABLE B—PENSIONER TAX OFFSET THRESHOLDS

| *Your pensioner code letter* | COLUMN 1 *You may get up to the full tax offset if your taxable income is equal to or less than this amount* | COLUMN 2 *You will not get a tax offset if your taxable income is equal to or more than this amount* [1] | COLUMN 3 *Maximum tax offset* [2] |
|---|---|---|---|
| **S**, **Q***, **J*** | $16 059 | $29 739 | $1710 |
| **I*** | $15 253 | $27 837 | $1573 |
| **P*** | $13 324 | $23 284 | $1245 |

[1] For the code letters with an asterisk (*) you may still get a tax offset because of a transfer of the unused portion of your spouse's pensioner or Senior Australians tax offset. We will work it out for you.

[2] If
- you used **S**, **Q**, **I** or **J** and your pension is more than $10 701 or
- you used **P** and your pension is more than $8931

your maximum tax offset may be higher than the amount in COLUMN 3, and you may still get a tax offset if your taxable income is more than the amount in COLUMN 2. We will work it out for you.

## HOW TO WORK OUT YOUR TAX OFFSET

| | | |
|---|---|---|
| Your taxable income | (a) | $ |
| Income amount from COLUMN 1 | (b) | $ |
| Take (b) away from (a). | (c) | $ |
| Your maximum tax offset from COLUMN 3 | (d) | $ |
| Divide (c) by 8. | (e) | $ |
| Take (e) from (d). | | $ |

**This is your tax offset.**

The tax offset you work out here will not include any unused portion of your spouse's Senior Australians or pensioner tax offset that we may transfer to you.

Do not write your tax offset amount anywhere on your tax return.

## PART D Medicare levy

If you want to work out your Medicare levy before you receive your notice of assessment, you can follow the steps below.

### How to work out your basic levy

**Step 1**

- If you are eligible for a Senior Australians tax offset—see pages 52–3—and your taxable income is \$20 001 or more but less than \$21 622, your levy is 20 cents for every dollar above \$20 000. If it is more than \$21 621, your levy is 1.5% of your taxable income. You do not pay any Medicare levy if your taxable income is \$20 000 or less.
- If you are eligible for the pensioner tax offset—see pages 52–3—and your taxable income is \$16 571 or more but less than \$17 914, your levy is 20 cents for every dollar above \$16 570. If it is more than \$17 913, your levy is 1.5% of your taxable income. You do not pay any Medicare levy if your taxable income is \$16 570 or less.
- If in all other circumstances, your taxable income is \$14 540 or more but less than \$15 718, your levy is 20 cents for every dollar above \$14 539. If it is more than \$15 717, your levy is 1.5% of your taxable income. You do not pay any Medicare levy if your taxable income is \$14 539 or less.

### Examples

- If you are eligible for a Senior Australians tax offset, the levy you pay on a taxable income of \$21 000 is \$200.

$$(\$21\,000 - \$20\,000) \times \frac{20}{100} = \$200$$

- If you are eligible for the pensioner tax offset, the levy you pay on a taxable income of \$18 000 is \$270.

$$\$18\,000 \times \frac{1.5}{100} = \$270$$

**Step 2** Did you claim an exemption at question **24**? If not, your Medicare levy is the amount you worked out at step 1. If you are claiming an exemption, read on.

**Step 3** How much of your basic levy at step 1 do you pay?

### FULL EXEMPTION

| | | |
|---|---|---|
| Number of days at **V** item **24** on your tax return, if any | (a) | \$ |
| Basic levy at step 1 | (b) | \$ |
| Multiply (a) by (b). | (c) | \$ |
| Divide (c) by 365. | (d) | \$ |

### HALF EXEMPTION

| | | |
|---|---|---|
| Number of days at **W** item **24** on your tax return, if any | (e) | $ |
| Basic levy at step 1 | (f) | $ |
| Multiply (e) by (f). | (g) | $ |
| Divide (g) by 365. | (h) | $ |
| Divide (h) by 2. | (i) | $ |

### YOUR EXEMPTION AMOUNT

| | | |
|---|---|---|
| Add (d) and (i) to get your exemption amount. | (j) | $ |

The amount of Medicare levy you pay, if any, is your basic levy at step 1 less any exemption amount at (j).

## *PART E* ***Medicare levy surcharge***

You do not have to work out the amount of Medicare levy surcharge you will pay. We will work it out from the information you provide on your tax return. We will tell you the result on your notice of assessment. If you do want to work it out before you receive your notice of assessment, follow the steps below.

### WORKING OUT YOUR MEDICARE LEVY SURCHARGE

| | | |
|---|---|---|
| Your taxable income from item **17 TAXABLE INCOME** on your tax return | (a) | $ |
| Add to (a) any total reportable fringe benefits amounts shown at item **6** on your tax return. | (b) | $ |
| Divide (b) by 100 to get 1 per cent. | (c) | $ |

If you have to pay the surcharge for the WHOLE year, the amount you have to pay is (c). If you have to pay the surcharge for PART of the year, continue with the steps below.

| | | |
|---|---|---|
| Number of days at **A** item **25** on your tax return | (d) | $ |
| Take (d) away from 365. | (e) | $ |
| Multiply (c) by (e). | (f) | $ |
| Divide (f) by 365. | (g) | $ |

The amount of the surcharge you have to pay is (g).

# WORKING OUT YOUR REFUND OR TAX DEBT—FINAL WORKSHEET



The following steps will show you how to work out your refund or how much tax you will have to pay. But before you begin to complete this worksheet, read pages 91–6 to work out your components.

**Step 1** First, transfer the amount of tax you work out in part A on page 91.

**Tax on your taxable income** ☐

**Step 2** Next, work out the tax offsets available to you.

**Total tax offsets claimed on page 3 of your tax return**—do not include your 30% private health insurance tax offset—this is shown at step 6 ☐

**Low income tax offset**—from part B on page 92 ☐

**Pensioner or Senior Australian tax offset**—from part C on pages 93–4 ☐

**Total of step 2 tax offsets** ☐

**Step 3** Now work out your tax payable.

**Tax payable**—take the total amount of tax offsets at step 2 away from the tax on taxable income at step 1. If the result is less than zero write '**0**' here. ☐

**Step 4** Transfer any Medicare levy or Medicare levy surcharge amounts that are payable.

**Medicare levy**—from part D on page 95 ☐

**Medicare levy surcharge**—from part E on page 96 ☐

**Total of step 4 amounts** ☐

**Step 5** Now work out the total tax payable for the year.

**Total tax payable**—add step 3 amount and step 4 total amount ☐

**Step 6** Add up all the credits and the refundable tax offsets available to you.

**Pay As You Go (PAYG) instalments** ☐

**Total credits from payment summaries**—amount at:
**$** **TOTAL TAX WITHHELD** item **5** on your tax return ☐

**Credits from tax file number amounts withheld**—amounts at:
**M** item **7** on your tax return
**V** item **8** on your tax return ☐

**30% private health insurance tax offset**—amount at:
**G** item **21** on your tax return ☐

**Franking tax offset (imputation credit)**—amount at:
**U** item **8** on your tax return ☐

**Total of step 6 amounts** ☐

**Step 7** Work out the refund/tax payable.

**Refund/tax payable**—take the total amount of credit at step 6 away from total tax payable at step 5 ☐

If this amount is negative—less than zero—this is the amount of refund due to you—excluding any other tax debts. If this amount is positive—more than zero—this is the amount of tax you have to pay.

STOP

**Lodge your tax return at the address shown on page 82.**

Below are our street addresses, and mailing addresses for correspondence. Please send correspondence to the office shown on your last notice of assessment, if you have one; otherwise send it to the nearest tax office.

If you have an enquiry, we can usually assist you faster by telephone. See the inside back cover for a list of our telephone infoline services.

**If you prefer to make your enquiry in person, we request that you make an appointment by telephone. The number to ring for an appointment is 13 2861.**

**NOTE** The Australian Taxation Office (ATO) cannot accept payments at ATO*access* sites. The methods for payment of tax debts are set out on the back of your notice of assessment.

## ATO*access* sites

### Victoria

**Casselden Place**
2 Lonsdale Street Melbourne
PO Box 9990 Moonee Ponds 3039

**Cheltenham**
4A, 4–10 Jamieson Street Cheltenham
PO Box 9990 Dandenong 3175

**Dandenong**
14 Mason Street Dandenong
PO Box 9990 Dandenong 3175

**Geelong**
92–100 Brougham Street Geelong
PO Box 9990 Geelong 3220

### Western Australia

**Northbridge**
45 Francis Street Northbridge
GPO Box 9990 Perth 6848

### Northern Territory

**Alice Springs**
Jock Nelson Centre
16 Hartley Street Alice Springs
GPO Box 800 Adelaide 5001

**Darwin**
Cnr Mitchell & Briggs Streets Darwin
GPO Box 800 Adelaide 5001

### Tasmania

**Hobart**
200 Collins Street Hobart
GPO Box 9990 Hobart 7001

### Australian Capital Territory

**Canberra**
Ground floor Ethos House
28–36 Ainslie Avenue Canberra
GPO Box 9990 Canberra 2601

### Queensland

**Brisbane**
280 Adelaide Street Brisbane
GPO Box 9990 Brisbane 4001

**Townsville**
Stanley Place
235 Stanley Street Townsville
PO Box 9990 Townsville 4810

**Upper Mt Gravatt**
2233 Logan Road
Upper Mt Gravatt
(entry via Macgregor Street)
PO Box 9990 Upper Mt Gravatt 4122

### South Australia

**Adelaide**
91 Waymouth Street Adelaide
GPO Box 800 Adelaide 5001

### New South Wales

**Albury**
567 Smollett Street Albury
PO Box 9990 Albury 2640

**Chatswood**
Shop 43 Lemon Grove
Shopping Centre
441 Victoria Avenue Chatswood
GPO Box 9990 Sydney 2001

**Hurstville**
1st Floor MacMahon Plaza
14–16 Woodville Street Hurstville
PO Box 9990 Hurstville 2220

**Newcastle**
266 King Street Newcastle
PO Box 9990 Newcastle 2300

**Sydney**
100 Market Street Sydney
GPO Box 9990 Sydney 2001

**Parramatta**
Commonwealth Offices
Ground Floor
2–12 Macquarie Street Parramatta
PO Box 422 Parramatta 2123

**Wollongong**
93–99 Burelli Street Wollongong
PO Box 9990 Wollongong 2500

## Other ATO mailing addresses:

**Box Hill ATO**
PO Box 9990 Box Hill 3128

**Chermside ATO**
PO Box 9990 Chermside 4032

**Moonee Ponds ATO**
PO Box 9990 Moonee Ponds 3039

**Penrith ATO**
PO Box 1400 Penrith 2740

# Index

# Publications

## PUBLICATIONS, TAXATION RULINGS, FORMS AND THE *TAXPAYERS' CHARTER*

To get publications referred to in *TaxPack 2002 for retirees* you have **3** options:

**1** **Visit our website—for publications, taxation rulings and the *Taxpayers' Charter*—at <www.ato.gov.au>.**

**2** **Ring our Publications Distribution Service—for all referred publications, including forms.**

From July to the end of October, this service operates from 8 a.m. to at least 10 p.m. Monday to Friday and from 10 a.m. to 5 p.m. on weekends—Australian Eastern Standard Time. From November to June, the normal operating hours of the distribution service are 9 a.m. to 7 p.m. weekdays. Before you ring, check to see if there are other publications you may need—this will save you time and help us. For each publication you order please quote the full title and NAT number, if any, printed in *TaxPack 2002 for retirees*.

This distribution service is not run by Australian Taxation Office (ATO) staff. Your tax questions cannot be answered on this telephone number. Ring the Publications Distribution Service on **1300 720 092** for the cost of a local call. Calls from mobile phones are charged at mobile rates.

**3** **Visit an ATO office—see page 98 for our street addresses.**

# Infolines

## IF YOU HAVE AN ENQUIRY ABOUT YOUR TAX, RING THE RELEVANT INFOLINE BELOW

Our infolines are open Monday to Friday 8 a.m. to 6 p.m. except where otherwise indicated. Our automated self-help services are available 24 hours per day every day. You can ring any **13** number for the cost of a local call. Calls from mobile phones are charged at mobile rates. Make sure you have *TaxPack 2002 for retirees* handy when you ring.

To ring an ATO infoline from outside Australia ring the International Access Code +61+ the infoline, between the hours of 8 a.m. and 6 p.m. Australian Eastern Standard Time. Calls will be charged at the rate relevant to that country.

If you require access to ATO records you will be asked to provide your tax file number or details from your last notice of assessment to confirm proof of identity.

### Personal Tax Infoline **13 2861**

Ring between 8 a.m. and 6 p.m. To ensure that your call is directed to the person who is best trained to answer your enquiry—*Press* 1.

### *A Fax from Tax* **13 2860**

If you have access to a fax machine use *A Fax from Tax* for quick and easy access to information. The service operates around-the-clock and will provide you with information on personal taxation—including information on the Higher Education Contribution Scheme and the Student Financial Supplement Scheme.

### Superannuation **13 1020**

*TaxPack 2002 for retirees* questions **2**, **13**, **14**, and **20**.

### National Aboriginal and Islander Resource Centre **13 1030**

The centre specialises in helping Indigenous clients and can assist with a wide range of tax matters.

### Refunds—ATO Personal Direct **13 2865**

This automated self-help service is available 24 hours per day, every day, for you to check the progress of your tax return. You will need your tax file number.

If you sent your tax return by ordinary post please wait 7 weeks before ringing.

If you lodged an *e-tax* tax return over the Internet please wait 3 weeks before ringing.

### Binding Oral Advice **13 2861**

### People with a hearing, speech or vision impairment

People with a hearing or speech impairment and with access to appropriate TTY or modem equipment can communicate with a tax officer through the National Relay Service on **13 3677** and quote one of the infolines listed on this page.

People with a vision impairment may be able to use *TaxTape 2002 for retirees* or *TaxDisk 2002 for retirees*—check the outside back cover for more information.

**You can find a list of ATO infolines in your White Pages.**

**Visit the ATO website at <www.ato.gov.au>.**

**If you do not speak English and need help from the Australian Taxation Office, ring the Translating and Interpreting Service (TIS) on 13 1450. TIS staff can assist with translating and interpreting in over 100 languages. Ask them to set up a 3-way conversation between you, an interpreter and a tax officer.**

Tax Help
SERVING THE COMMUNITY

If you want to complete your own tax return or your claim for a refund of imputation credits but think you may need some assistance, then Tax Help may be the answer.

Our network of community volunteers are trained and supported by the Australian Taxation Office to help taxpayers.

Tax Help is a free and confidential service for people on low incomes.

See page 16 in *TaxPack 2002 for retirees* for more information—including the telephone number to ring for Tax Help.

## ASSISTANCE FOR PEOPLE WITH A PRINT DISABILITY

The following tax time products are available free of charge from the Royal Blind Society—on FREECALL 1800 644 885—for people who are blind or vision impaired:

*TaxTape 2002 for retirees*

*TaxDisk 2002 for retirees*

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