

This topic is about working in Australia, including getting paid and how tax and superannuation work.

Section: content for the worker and resources	 Key messages
<p>A: Introducing working in Australia</p> <p> Level 1</p> <p> Level 1</p> <p> Factsheet</p>	<ul style="list-style-type: none"> ▶ When you work in Australia and you are employed, you get paid. ▶ When you work in Australia, you pay tax (money) to the Australian Government. ▶ Superannuation is money being saved for when you are old and do not work anymore. ▶ Your employer usually has to pay an extra 9% of the money you earn into a superannuation fund for you. This money is in addition to your pay.
<p>B: Starting a new job</p> <p> Activity Level 2: Pay slip information</p> <p> Story Level 2: Michael starts his new job</p> <p> Factsheet</p>	<ul style="list-style-type: none"> ▶ You should ask some important questions before you start a job. ▶ Let Centrelink know if your financial situation changes. ▶ It is important to know what information is on your pay slip.
<p>C: How tax works</p> <p> Activity Level 2: Match the words to the right meaning</p> <p> Story Level 2: Ali's tax file number</p> <p> Factsheet</p>	<ul style="list-style-type: none"> ▶ Your pay slip shows you how much you get paid. ▶ Your pay slip shows how much tax you pay. ▶ Always give your employer your tax file number when you start your job.
<p>D: How superannuation works</p> <p> Activity Level 2: Match the words to the right meaning</p> <p> Story Level 3: <i>Taw chooses a superannuation fund</i></p> <p> Factsheet</p>	<ul style="list-style-type: none"> ▶ When you get paid, check that you are getting the correct amount of superannuation from your employer. ▶ You can usually choose what fund to put your superannuation money into. ▶ If you do not choose your own fund your employer will pay your superannuation money into a fund they use.

Financial literacy levels



Ask these types of questions to check your client's level of understanding and knowledge

- ▶ What are the important things you need to know before you start a job?
- ▶ Have you ever been paid superannuation by your employer? What can you tell me about it?
- ▶ Have you had to pay tax before? What can you tell me about it?

After your client answers your questions, determine what information they need based on their level of knowledge. You can do this using this table.

Your client has this level of knowledge	Description
Level 1: No or a limited understanding	<p>If your client cannot answer any of your questions or can only answer them a bit, they have no or a limited understanding.</p> <p>You can help them understand more by showing them the photo story in their translated language to introduce the topic.</p> <p>You can also listen to the audio story.</p> <p>After using the photo and/or audio stories, see if your client has developed some understanding of the topic, by asking them to answer the questions again.</p> <p>At the end of the section, you can give your client the factsheet in their translated language to take home with them, so they can look at it later.</p>
Level 2: Some level of understanding	<p>If your client answers one or more of your questions, but not in a lot of detail, they have some level of understanding.</p> <p>You can show them the photo story to review the topic.</p> <p>You can also go through the Level 2 activities and stories in the kit as these are for clients with some level of understanding.</p> <p>At the end of the section, you can give your client the factsheet in their translated language to take home with them, so they can look at it later.</p>
Level 3: A higher level of understanding	<p>If your client answers your questions in detail they have a higher level of understanding.</p> <p>For example, if you ask your client 'Do you know what superannuation is?', and they say 'yes' and can explain what it is, you do not need to show them the photo story. Instead, you can look at the more advanced activities in the kit with them, labelled as Level 3.</p> <p>At the end of the section, you can give your client the factsheet in their translated language to take home with them, so they can look at it later.</p>

A: Introducing working in Australia



Key messages

- ▶ When you work in Australia and you are employed, you get paid.
- ▶ When you work in Australia, you pay tax (money) to the Australian Government.
- ▶ Superannuation is money being saved for when you are old and do not work anymore.
- ▶ Your employer usually has to pay an extra 9% of the money you earn into a superannuation fund for you. This money is in addition to your pay.

Content for the worker

This section introduces your client to the concept of working in Australia. To do this, show your client the photo story and/or play the audio story.

When showing the photo story, remember to pause and check if your client is following the story in the right sequence.

A factsheet on this topic is also available for your client. You can photocopy and give the factsheet to your client in their translated language to take home.



After using the photo and audio stories, you can check your client's level of understanding and knowledge by asking questions such as:

- ▶ What are some of the important things you need to know when you start a job?
- ▶ What would you do if you have a problem with your employer?
- ▶ What can you tell me about superannuation?
- ▶ What can you remember about tax?

Does your client understand the key points from today?

If they do not, you can go through the information again at another time.

If they do you can proceed to the next level the next time you meet your client – from **Level 1** to **Level 2** or from **Level 2** to **Level 3**.

Resources



Level 1: Working in Australia photo story



Level 1: Working in Australia audio story



Working in Australia factsheets. These can be found at the end of the topic in the following languages:

- 1 English
- 2 Arabic
- 3 Assyrian
- 4 Burmese
- 5 Chin Hakka
- 6 Dari
- 7 Dinka
- 8 Farsi
- 9 Hazaragi
- 10 Karen
- 11 Kirundi
- 12 Nepalese
- 13 Nuer
- 14 Sudanese Arabic
- 15 Swahili
- 16 Tamil

9: Working in Australia

B: Starting a new job



Key messages

- ▶ You should ask some important questions before you start a job.
- ▶ Let Centrelink know if your financial situation changes.
- ▶ It is important to know what information is on your pay slip.

Content for the worker

When you start a new job, you should ask some important questions, including:

- ▶ What is the name of your employer?
- ▶ What is the name of the job you will be doing?
- ▶ What work will you do?
- ▶ How much will you get paid?
- ▶ How many hours a week will you work?

There are **legal agreements** (also called awards) on how much you should get paid. This is the law. The Australian Government makes these agreements and your employer must follow them.

There are different types of work including **full time**, **part time** or **casual**.

If you work full time you usually work at least 37.5 hours a week. You will be able to take around four weeks holiday a year and you must be paid for the time you are on holidays. This time off is called **annual leave**.

If you work full time you also get paid if you cannot go to work because you are sick (for a number of days a year only). This is called **sick leave**.

If you work part time, you may work regular hours every week, but less than 37.5 hours. You can still get time off for holidays (annual leave) and sick leave but not as many days as someone who works full time.

If you work in a casual job, you get paid for each hour you work. You do not get holidays (annual leave) or sick pay.

If you are getting money from Centrelink and you start a new job you need to let Centrelink know. Starting a new job may mean Centrelink does not give you money or they may give you less.

If you do not tell Centrelink when you start a job you might get too much money from them and have to pay it back later. This is called an overpayment. If you cannot pay it back immediately, you need to talk to Centrelink about how you will do so. If you do not pay the money back you can get in trouble. This is because it is the law that you pay Centrelink any overpayment.

When you start to work, your employer should give you a letter. In the letter should be what your job is, when you start and how much you will be paid.

When you receive your first pay slip, you will see it has important information on it, including:

Gross pay

This is how much money you earn before things like your tax are taken out. You pay tax to the government so they can pay for services like hospitals, schools, roads and public transport (buses and trains).

Pay as you go (PAYG) tax

This is money your employer takes out of your pay and gives to the Australian Government.

You can show your client what a pay slip looks like with the sample below. You can show them the important information on it.

Net pay

This is the money left after things are taken out of your pay, such as tax. To work out your net pay, you take away your PAYG from your gross pay. The amount left is your net pay.

Your employer puts money into your superannuation while you work for them. Superannuation is money being saved while you are working. It is for when you get old and do not work anymore (this is when you **retire**).

Sample pay slip

ABC Sample Company ABN 11122233		1059 Clark,W			
<h3>Pay Slip</h3>					
Employee Clark, Wesley 321, THREE-TWO-ONE ST SPRINGFIELD, QLD 4300		Pay Date	3-Jan-2013		
		Period	26-Dec-2012 – 01-Jan-2013		
		Pay Point	PP3		
Description	Unit	Rate	Factor	Adjust	Amount
Pay Details					
NORMAL HRS	30 Hours	17.5860			Gross pay 528.00
PAYG Withholding	528				-41.00
					Tax paid 487.00
Banking Amounts					
Bank: Wesley Clark					-487.00
					Net pay 47.52
Superannuation Amounts					
SGC, Australian Super	528	0.0900			47.52
					47.52

9: Working in Australia

B: Starting a new job (continued)

Cash in hand (not taxed) work

Being paid **cash in hand** means you are paid in cash for your work. You do not get a pay slip. You do not pay tax. And the person you are working for does not put money into superannuation. This is against the law.

Working for cash in hand may also mean you are not being paid as much as you should be paid. It also means you are not getting superannuation and will not have as much money when you stop working after you retire.



For the worker

You can tell your client that if they have started a new job and something does not seem right – or if they are not sure about their pay or rights – they can visit the Fair Work Australia website, www.fwa.gov.au. This website has information on minimum wages and employment conditions.

Your client can also find information on their rights, conditions and pay for the state or territory they live in. This can be found in the Key Contacts section in the kit.



Activities and stories



Level 2: *Pay slip information*
Page 15



Level 2: *Michael starts his new job*
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C: How tax works



Key messages

- ▶ Your pay slip shows you how much you get paid.
- ▶ Your pay slip shows how much tax you pay.
- ▶ Always give your employer your tax file number when you start your job.

Content for the worker

You pay tax to the government so the government can pay for services like hospitals, schools, roads and public transport (buses and trains). Each time you get paid, an amount of tax is taken from your pay.

This money is taken out by your employer and it is called Pay as you go (PAYG) tax. Your employer takes this money out of your pay and gives it to the Australian Government.

How much income tax you pay

The amount of tax you pay depends on how much money you earn. The more money you make the more tax you pay.

Everyone in Australia gets to earn some money a year without paying tax. In 2012–13 everyone gets to earn \$18,200 a year tax free. This is called the tax-free threshold. After that, the amount of tax you pay depends on how much your pay is.

The rates in the following table are for 2012–13 and apply from 1 July 2012. The table shows examples of different income and how much tax the people who earn this income have to pay. You can see the current tax rates at www.ato.gov.au.

Taxable income	Tax on this income
0 – \$18,200	Nil
\$18,201 – \$37,000	19c for each \$1 over \$18,200
\$37,001 – \$80,000	\$3,752 plus 32.5c for each \$1 over \$37,000
\$80,001 – \$180,000	\$17,547 plus 37c for each \$1 over \$80,000
\$180,001 and over	\$54,547 plus 45c for each \$1 over \$180,000

9: Working in Australia

C: How tax works (continued)

Pay slip information

Your pay slip shows you how much:

- ▶ you get paid
- ▶ tax you pay
- ▶ superannuation your employer puts into your superannuation fund for you.

Your gross income is how much money you earn before things like tax is taken out.

Your net income is the money left after things have been taken out of your pay, such as tax.

Tax file number

Everyone in Australia has their own tax file number. You have to get this from the Australian Taxation Office (the Tax Office). You need to show who you are before you can get a tax file number. You can do this with your birth certificate or license or passport.

Tax file numbers help the Australian Government get tax and give government services. Always give your employer your tax file number when you start your job. This allows them to take the right amount of tax from your pay.

If you do not give your tax file number to your employer, you will pay a lot more tax, even if you are only supposed to pay a lot less.

Your tax file number is important and you should be careful with it. Only give it to the right people such as your employer and people who work for the Tax Office, Centrelink, your superannuation fund and your bank.

Do not keep your tax file number where it can be stolen such as in your wallet or purse or on your mobile phone.

Tax returns

Every year you have to do a **tax return** (from July 1) and give this to the Tax Office. This tells the government how much money you made in the year and how much tax you paid. This lets the government know if you have paid the right amount of tax, or too much or too little.

Once you have done your tax return, you will know if you have to give more money to the Tax Office (because you have not paid enough during the year) or if you will get some money back from the Tax Office.

Once you finish your tax return you may get money back from the Tax Office. This is called a refund. You might get this because you have paid too much tax or because you have a special circumstance.

Activities and stories



Level 2: Match the words to the right meaning
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Level 2: Ali's tax file number
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D: How superannuation works



Key messages

- ▶ When you get paid, check that you are getting the correct amount of superannuation from your employer.
- ▶ You can usually choose what fund to put your superannuation money into.
- ▶ If you do not choose your own fund your employer will pay your superannuation money into a fund they use.

Content for the worker

Your employer must pay superannuation if you are working full time, part time or casually.

Superannuation is money being saved for when you are old and do not work anymore. While you are working, your employer must pay an extra 9% of what you earn into a superannuation fund for you. This money is in addition to your pay.

A superannuation fund is where your superannuation money is saved.

If you are working in a casual job, you must earn at least \$450 a month for your employer to pay you superannuation. If you are under 18, you must work at least 30 hours for your employer to pay you superannuation.

The government says you cannot take out money from your superannuation fund until you are not working anymore and are at least 55 years of age – or older depending on when you were born.

There are different types of superannuation funds. You can usually choose the fund you want your employer to pay your money into.

Your employer will already have a superannuation fund and you can join it. Or you can choose to join another one.

If you want to join your own superannuation fund, you have to ask your employer to give you some papers to fill in. Your employer must give you a **standard choice form** within 28 days of when you start working for them. The form gives you options and lets you choose what fund you want to have your superannuation money put in.

With a standard choice form you have two choices:

- ▶ **Option 1 – Choose the superannuation fund your employer uses**
You can choose to use the superannuation fund your employer uses. If you do not make a choice, your employer will automatically pay your superannuation into the superannuation fund they use.
- ▶ **Option 2 – Choose another superannuation fund**
You can choose another superannuation fund for your employer to pay your superannuation into.

D: How superannuation works (continued)

If you think you should be getting paid superannuation, you should check with your employer and ask them:

- ▶ how often they are paying you superannuation
- ▶ which superannuation fund they are paying your money into
- ▶ how much superannuation they are meant to be paying you.

You should also check your most recent statement from your superannuation fund or contact your superannuation fund directly to find out if your employer is paying your superannuation.

If you have done these things and you think your employer is not paying you correctly, you can contact the Tax Office and someone will check for you.



If your client wants more information about superannuation and superannuation funds, you can refer them to the MoneySmart website, www.moneysmart.gov.au, or tell them to call the Tax Office on 13 10 20.

Superannuation contributions

Why save a lot of superannuation

There are many good reasons to save as much superannuation as you can. These include:

- ▶ if you live a long time you will need your money to last
- ▶ the cost to live will increase
- ▶ the **age pension** alone will not be enough for you to live in a comfortable way
- ▶ superannuation is good because you get tax benefits
- ▶ you might get **co-contributions** from the government.

You cannot put all your money into your superannuation because you have to live today. You need to work out how much it costs you to live. This includes what debts you have (for example, a credit card debt or home loan repayments). Then you can decide how much you have left and put that into superannuation.

Ways to increase your superannuation

Make after-tax superannuation contributions

This is when you deposit your own money into your superannuation. This is called after-tax superannuation contributions. It is different from **salary sacrificing superannuation contributions**, which happens before you get taxed on the amount of money you make.

Sacrifice some of your salary

This is when you and your employer agree to put an extra amount of your salary into your superannuation fund. This can be a good way to save more superannuation if you earn more than \$37,000 a year.

Receive bonus contributions

If you earn less than around \$62,000, the government will match your after-tax superannuation contributions. This means they will match, or more than match, your personal super contributions. If you are eligible, this is the best way to get more money into your superannuation fund.

If you are **self-employed** (also known as a sole-trader), you can claim a tax deduction when you contribute to your superannuation, up to a limit. If you do not put money in your superannuation, you may have no money to live on when you retire.

Superannuation co-contributions

This is money the government puts into your superannuation fund if you do not earn a lot of money (low or middle-income earner) to reward you for putting your own money into superannuation. If you earn less than a certain amount, the Australian Government will put the same amount of after-tax superannuation into your account as you do, up to a maximum of \$1,000.

Activities and stories



Level 2: Match the words to the right meaning
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Level 3: Taw chooses a superannuation fund
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9: Working in Australia

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Activities and stories

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9: Working in Australia

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B: Starting a new job

Pay slip information



You can use this activity to help your client understand the important information on their pay slip. If your client wants to write their responses, make a copy of this activity. Look at the sample pay slip below and identify the following parts:

- ▶ gross pay
- ▶ tax paid
- ▶ net pay
- ▶ superannuation.

Then help your client write the amounts for the categories underneath the sample. The answers are on the next page.

Gross pay is how much money you earn before things like tax are taken out. You pay tax to the government so they can pay for

services like hospitals, schools, roads and public transport (buses and trains). This money is taken out by your employer and it is called Pay as you go (PAYG) tax.

Your gross income is how much money you earn before tax is taken out.

Your net income is the money left after things have been taken out of your pay, such as tax.

Your employer puts money into your superannuation while you work for them. Superannuation is money being saved while you are working. It is for when you get old and do not work anymore (when you retire).

ABC Sample Company
ABN 11122233

1059
Clark,W

Pay Slip

Employee
Clark, Wesley
321, THREE-TWO-ONE ST
SPRINGFIELD, QLD 4300

Pay Date 3-Jan-2013
Period 26-Dec-2012 – 01-Jan-2013
Pay Point PP3

Description	Unit	Rate	Factor	Adjust	Amount
Pay Details					
NORMAL HRS	30 Hours	17.5860			528.00
PAYG Withholding	528				-41.00
					487.00
Banking Amounts					
Bank: Wesley Clark					-487.00
					-487.00
Superannuation Amounts					
SGC, Australian Super	528	0.0900			47.52
					47.52

www.paylink.com.au

- | | |
|-----------------------|----------------------------|
| 1. Gross pay \$ _____ | 3. Net pay \$ _____ |
| 2. Tax paid \$ _____ | 4. Superannuation \$ _____ |

9: Working in Australia

B: Starting a new job

Pay slip information (continued)

Answers

(1) \$528.00, (2) \$41.00, (3) \$487.00, (4) \$47.52.



End of level 2: check in with your client

Does your client understand the key points from today?

If they do not, you can go through the information again at another time.

If they do you can proceed to **Level 3** the next time you get together.



You can give your client the factsheet in their translated language to take home. Repetition is part of learning.

Has your client got a better understanding?

Result	Next steps
Your client has a higher level of understanding – completely understands the concept of working in Australia and has demonstrated their understanding.	 Great work!  You can give your client a copy of the translated factsheet in their language to take home.
Your client has some level of understanding of the concept of working in Australia.	 You can help your client work through the Level 2 activities and stories again.
Your client has no or limited understanding of the concept of working in Australia.	 You can watch the photo story and listen to the audio story again with your client.

More information for your client



If your client wants more information about superannuation, you can refer them to the MoneySmart website, www.moneysmart.gov.au.

If your client wants more information about tax and superannuation, you can refer them to the Tax Office website, www.ato.gov.au, or tell them to call 13 28 65.

Reflection questions for workers

- ▶ What worked well today? What did not work well?
- ▶ Did your client understand the key messages?
- ▶ How could the session have been more effective?
- ▶ Did the activities engage your client in the topic?
- ▶ What questions unexpectedly emerged and how did you handle them?
- ▶ What might you do differently next time?

B: Starting a new job

Michael starts his new job


Level 2

Michael has been unemployed for the last 3 months and has been receiving a Centrelink payment to help him buy the things he needs.

He saw an advertisement for a salesperson at a local clothing store. He applied, went for an interview and got the job.

Michael then got a letter from his new employer with details about his new job.

 **What information should Michael look for in the letter?**

Michael read the letter. It said that his employer's name is Jack Smith and the company is called Clothes for Us. The letter also said that the job is called 'clothing salesperson', that Michael will get paid \$16 an hour and will be working part time for 25 hours each week.

After working for 2 weeks, Michael received his first pay. He was also given his pay slip. Michael could see how much he had been paid, how much tax he paid and the amount of superannuation his employer paid into his superannuation fund.

On his pay slip, Michael saw that he earned \$800 for working for 2 weeks and that he paid \$85 in tax. He also saw his employer paid \$72 into a special fund for his superannuation.

The next week, Michael received his payment from Centrelink.



 **What should Michael do next?**

Michael knew it was important to tell Centrelink about his new job so they can change the amount they pay him. Not telling Centrelink means Michael could be paid too much money by Centrelink and would then have a debt. He would have to pay them back or get into trouble.

Michael phoned Centrelink to tell them about his new job and he sent them a copy of the letter from his employer. He felt good knowing he had done the right thing.

9: Working in Australia

B: Starting a new job



End of level 2: check in with your client

Does your client understand the key points from today?

If they do not, you can go through the information again at another time.

If they do you can proceed to **Level 3** the next time you get together.



You can give your client the factsheet in their translated language to take home. Repetition is part of learning.

Has your client got a better understanding?

Result	Next steps
Your client has a higher level of understanding – completely understands the concept of working in Australia and has demonstrated their understanding.	Great work! You can give your client a copy of the translated factsheet in their language to take home.
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Your client has no or limited understanding of the concept of working in Australia.	You can watch the photo story and listen to the audio story again with your client.

More information for your client



If your client wants more information about superannuation, you can refer them to the MoneySmart website, www.moneysmart.gov.au.

If your client wants more information about tax and superannuation, you can refer them to the Tax Office website, www.ato.gov.au, or tell them to call 13 28 65.

If your client wants more information about their rights at work, you can refer them to the Fair Work Australia website, www.fwa.gov.au or tell them to call 1300 799 675.

Reflection questions for workers

- ▶ What worked well today? What did not work well?
- ▶ Did your client understand the key messages?
- ▶ How could the session have been more effective?
- ▶ Did the activities engage your client in the topic?
- ▶ What questions unexpectedly emerged and how did you handle them?
- ▶ What might you do differently next time?

C: How tax works

Match the words to the right meaning



You can use this activity to help your client decide which meaning is right and wrong. You can get your client to choose and ask why they made the choice. The answers are on the next page.

You can also refer to the glossary at the end of the topic to help you.

When you work in Australia, you pay tax (money) to the Australian Government. You pay tax to the government so the government has money to give us services we need, like hospitals, schools, roads and public transport (buses and trains). Each time you get paid, an amount of tax is taken from your pay.

Your tax file number helps the Australian Government to manage tax and other government services. A tax file number is a number given to you by the Tax Office.

Everyone in Australia has their own tax file number. You can apply for a tax file number through the Tax Office. To do this, you need some identity to show who you are.

Your gross income is how much money you have earned before any tax is deducted.

Your net income is the money you receive after tax has been deducted.

The amount of tax you pay depends on how much money you earn.

The more money you make the more tax you pay.

Everyone in Australia gets to earn some money a year without paying tax. In 2012–13 everyone gets to earn \$18,200 a year tax free. This is called the tax-free threshold.

-
- | | |
|---------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Tax file number | <ul style="list-style-type: none"> a) a special number given to you by your employer b) a number you give your employer so they can take out the right amount of tax from your pay |
|---------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
-
- | | |
|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2. Net income | <ul style="list-style-type: none"> a) the pay you receive after you have had things taken out of your pay, such as tax b) the pay you receive before things such as tax are taken out |
|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
-
- | | |
|------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3. Gross income | <ul style="list-style-type: none"> a) the pay you receive after you have had things taken out of your pay, such as tax b) the pay you receive before things such as tax are taken out |
|------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
-
- | | |
|------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4. Tax-free threshold | <ul style="list-style-type: none"> a) in 2012–2013, the first \$37,000 you earn each year is tax free b) in 2012–2013, the first \$18,200 you earn each year is tax free |
|------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
-

9: Working in Australia

C: How tax works

Match the words to the right meaning (continued)

Answers

1 (b), 2 (a), 3 (b), 4 (b).



End of level 2: check in with your client

Does your client understand the key points from today?

If they do not, you can go through the information again at another time.

If they do you can proceed to **Level 3** the next time you get together.



You can give your client the factsheet in their translated language to take home. Repetition is part of learning.

Has your client got a better understanding?

Result	Next steps
Your client has a higher level of understanding – completely understands the concept of working in Australia and has demonstrated their understanding.	 Great work!  You can give your client a copy of the translated factsheet in their language to take home.
Your client has some level of understanding of the concept of working in Australia.	 You can help your client work through the Level 2 activities and stories again.
Your client has no or limited understanding of the concept of working in Australia.	 You can watch the photo story and listen to the audio story again with your client.

More information for your client



If your client wants more information about tax and superannuation, you can refer them to the Tax Office website, www.ato.gov.au, or tell them to call 13 28 65.

Reflection questions for workers

- ▶ What worked well today?
What did not work well?
- ▶ Did your client understand the key messages?
- ▶ How could the session have been more effective?
- ▶ Did the activities engage your client in the topic?
- ▶ What questions unexpectedly emerged and how did you handle them?
- ▶ What might you do differently next time?

C: How tax works

Ali's tax file number

 **Level 2**

Ali is excited about starting a new job and earning enough money to save and buy a car.

Ali tells his friend Ninh about his plans to buy a new car once he starts his job. Ninh asks: 'Did you know that if you are working and you do not have a tax file number, it can cost you a lot of money?'

Ali is surprised by this. He needs all the money he can get to buy a car. He does not understand why he needs to provide a tax file number to his employer. He is confused about why this would cost him more money if he does not do this.

 **Why would it cost Ali a lot of money?**

Ali did not realise that unless he provides a tax file number, his employer will take a lot more tax from his pay – at the highest rate.



Ninh explains this is not the only reason to get a tax file number. He tells Ali: 'If you do not have a tax file number you cannot put in your tax return. If you do not lodge a tax return, you may get in trouble with the Tax Office and you may miss out on getting any money the government might owe you.'

'Can I borrow your tax file number when I start my job?' asks Ali.

 **Why can't Ali use Ninh's tax file number?**

Ninh says no. He explains: 'I cannot let other people use my tax file number. It is against the law and I would get in a lot of trouble. You need to get your own tax file number.'

When Ali asks how, Ninh says it is easy. All Ali has to do is get one from the Tax Office. To do this Ali needs to call the Tax Office on 13 28 61 or go on the website, www.ato.gov.au.

9: Working in Australia

C: How tax works



End of level 2: check in with your client

Does your client understand the key points from today?

If they do not, you can go through the information again at another time.

If they do you can proceed to **Level 3** the next time you get together.



You can give your client the factsheet in their translated language to take home. Repetition is part of learning.

Has your client got a better understanding?

Result	Next steps
Your client has a higher level of understanding – completely understands the concept of working in Australia and has demonstrated their understanding.	 Great work!  You can give your client a copy of the translated factsheet in their language to take home.
Your client has some level of understanding of the concept of working in Australia.	 You can help your client work through the Level 2 activities and stories again.
Your client has no or limited understanding of the concept of working in Australia.	 You can watch the photo story and listen to the audio story again with your client.

More information for your client



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Reflection questions for workers

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- ▶ What questions unexpectedly emerged and how did you handle them?
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D: How superannuation works

Match the words to the right meaning



You can use this activity to help your client decide which meaning is right and wrong. You can get your client to choose and ask why they made the choice. Then you can show them the right meaning and explain if you need to. The answers are on the next page.

You can refer to the glossary at the end of the topic to help you.

Superannuation is money being saved for when you are old and do not work anymore.

While you are working, your employer must put an extra 9% of what you earn into a superannuation fund for you. This money is in addition to your pay.

A superannuation fund is where your superannuation money is being saved.

If you are working in a casual job, you must earn at least \$450 a month for your employer to pay you superannuation. If you are under 18, you must work at least 30 hours for your employer to pay you superannuation.

-
- | | |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Superannuation | <ul style="list-style-type: none"> a) a special bank account where you can keep the money you earned by working b) money being saved for when you are old and do not work anymore |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
-
- | | |
|---------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2. Superannuation for casual workers | <ul style="list-style-type: none"> a) you get paid superannuation if you earn at least \$450 in one month b) you do not get paid any superannuation |
|---------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
-
- | | |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3. Superannuation fund | <ul style="list-style-type: none"> a) an insurance account for your superannuation b) a fund where your superannuation money is being saved |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
-
- | | |
|------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4. Superannuation for full-time workers | <ul style="list-style-type: none"> a) your employer will put 9% of what you earn into a superannuation fund b) by law, you have to put your own superannuation into a superannuation fund |
|------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
-

9: Working in Australia

D: How superannuation works

Match the words to the right meaning (continued)

Answers

1 (b), 2 (a), 3 (b), 4 (a).



End of level 2: check in with your client

Does your client understand the key points from today?

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You can give your client the factsheet in their translated language to take home. Repetition is part of learning.

Has your client got a better understanding?

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More information for your client



If your client wants more information about superannuation, you can refer them to the MoneySmart website, www.moneysmart.gov.au.

If your client wants more information about tax and superannuation, you can refer them to the Tax Office website, www.ato.gov.au, or tell them to call 13 28 65.

Reflection questions for workers

- ▶ What worked well today? What did not work well?
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D: How superannuation works

Law chooses a superannuation fund

 **Level 3**

Taw recently started part-time work as a health care worker. Before he started, his employer gave him some forms to complete. He did this but he could not understand one of the forms, called a standard choice form. This form was about his superannuation.

He called his new manager, Rebecca, to ask what the form was about. Rebecca explained that a standard choice form sets out his options for choosing a superannuation fund. A superannuation fund is where Taw's superannuation money is being saved.

The two options Taw has when choosing a superannuation fund are:

▶ **Option 1 – Choose the superannuation fund his employer uses**

If Taw does not make a choice, his employer will pay superannuation into the superannuation fund they use.

▶ **Option 2 – Choose another superannuation fund**

Taw can choose the superannuation fund for his employer to pay his superannuation into.

 **Do you know what a superannuation fund is?**

Rebecca explained that Taw can choose a superannuation fund, which is why he got the standard choice form within 28 days of when he started work with his health care employer.

Taw thanked Rebecca for explaining this. He filled in the form and decided to choose his employer's superannuation fund.

When Taw looked at his first pay slip, he noticed he was not being paid superannuation by his employer.

 **If Taw did not get his superannuation paid into his superannuation fund, what should he do next?**

- ▶ check with his employer
- ▶ ask his employer how often they should pay him superannuation
- ▶ ask what superannuation fund the employer is paying his superannuation into
- ▶ ask how much superannuation the employer is to pay him.

Taw's employer apologised as they had made a mistake. They thanked Taw for letting them know and fixed it right away.

If they had not fixed the problem, Taw would have contacted the Tax Office on 13 28 61 to let them know.



9: Working in Australia

D: How superannuation works

Has your client got a better understanding?

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Reflection questions for workers

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- ▶ What questions unexpectedly emerged and how did you handle them?
- ▶ What might you do differently next time?

Glossary

Age pension	If you have reached retirement age, you use your age pension to help you live.
Annual leave	The holidays you can take each year. You get paid for your holidays. All employees (except casual employees) get paid annual leave based on the number of hours they work.
Award	How much you should get paid. This is the law. The Australian Government makes these agreements and your employer must follow them.
Cash in hand	This is no taxed work. You get paid cash for your work. You do not get a pay slip. You do not pay tax. The person you are working for does not put money into your superannuation. This is against the law.
Casual work	Getting paid for each hour you work. With casual work you do not get holiday (annual leave) or sick pay.
Co-contributions	This is money the Australian Government puts into your superannuation fund if you do not earn a lot of money (low or middle income earner) to reward you for putting your own money into superannuation. If you earn less than a certain amount, the government will put the same amount of after-tax superannuation into your account as you do, up to a maximum of \$1,000.
Full-time work	If you work full time you usually work at least 37.5 hours a week. You will be able to take around four weeks holidays a year and you must be paid for the time you are on holidays. You also get paid if you cannot go to work because you are sick (for a number of days a year only).
Gross pay	This is how much money you earn before things like your tax are taken out (deductions).
Income	Money coming in (for example, from wages or from Centrelink).
Net pay	This is the money left after things are taken out of your pay, such as tax. To work out your net pay, you take away your PAYG from your gross pay. The amount left is your net pay.
Part-time work	When you work regular hours but less than 37.5 hours a week. You can still get time off for holidays (annual leave) and time off for when you are sick.
Pay as you go (PAYG)	Money taken out of your pay by your employer and paid to the Australian Government.
Pay slip	A document that shows how much you get paid, how much tax you pay and how much superannuation you had taken out of your pay. You get a pay slip each time you get paid.
Refund	Money you may receive back from the government.
Retire	When you do not work anymore.

9: Working in Australia

Glossary (continued)

Salary sacrificing superannuation contributions	When you and your employer agree to pay some of your future before-tax (gross) salary or wages into your superannuation fund.
Self-employed	When you work for yourself (also called sole trader). You choose when and where you work, and who you work for.
Sick leave	Time when you cannot work because you are sick or injured.
Standard choice form	Sets out your options for choosing a superannuation fund.
Superannuation	Money being saved for when you are old and do not work anymore. Your employer usually has to pay an extra 9% of the money you earn into a superannuation fund for you. This money is in addition to your pay.
Superannuation fund	Where your superannuation money is saved.
Tax money	Money taken from your gross pay and given to the Australian Government. The government uses this money to pay for services like hospitals, schools, roads and public transport (buses and trains).
Tax file number	Everyone in Australia has their own tax file number (a unique nine-digit number). You get this from the Tax Office. The Australian Government uses tax file numbers to get tax and give government services.
Tax-free threshold	Everyone in Australia gets to earn some money a year without paying tax. In 2012–13 everyone gets to earn \$18,200 a year tax free. This is called the tax-free threshold.
Tax return	Everyone has to do a tax return (from July 1) and give this to the Tax Office. This tells the government how much money you made in the year and how much tax you paid. This lets the government know if you have paid the right amount of tax, or too much or too little.

Working in Australia

Managing your money factsheet

When you work in Australia and you are employed, you get paid and you have to pay tax on the money you earn.

Getting paid for work

When you get paid you get a pay slip. Your pay slip shows you how much you were paid, how much tax you paid and how much superannuation money was put into your superannuation fund.

Tax

When you work in Australia you pay tax to the Australian Government so the government has money to provide services the community needs, like hospitals, schools, roads and public transport (buses and trains).

Tax file number

Everyone in Australia has their own tax file number. You need a tax file number to work in Australia. When you start a job, you have to provide your tax file number to your employer.

Superannuation

This is money being saved for when you are old and do not work anymore. It is put into a superannuation fund by your employer.

Remember

- ▶ When you work in Australia and you are employed, you get paid.
- ▶ When you work in Australia, you pay tax (money) to the Australian Government.
- ▶ Superannuation is money being saved for when you are old and do not work anymore.
- ▶ Your employer usually has to pay an extra 9% of the money you earn into a superannuation fund for you. This is money in addition to your pay.

Where to get help and more information

For more information on superannuation, visit the MoneySmart website, www.moneysmart.gov.au, or call 1300 300 630.

If you are having problems with your employer or want to know more about your rights as a worker, contact Fair Work Australia's website, www.fwa.gov.au, or call 1300 799 675.



Michael starts his new job

Michael has been unemployed for the last 3 months and has been receiving a Centrelink payment to help him buy the things he needs.

He saw an advertisement for a salesperson at a local clothing store. He applied, went for an interview and got the job.

Michael then got a letter from his new employer with details about his new job.

Michael read the letter. It said that his employer's name is Jack Smith and the company is called Clothes for Us. The letter also said that the job is called 'clothing salesperson', that Michael will get paid \$16 an hour and will be working part-time for 25 hours each week.

After working for 2 weeks, Michael received his first pay. He was also given his pay slip. He could see how much he had been paid, how much tax he paid and the amount of superannuation his employer paid into Michael's superannuation fund.

On his pay slip, Michael saw that he earned \$800 for working for 2 weeks and that he paid \$85 in tax. He also saw his employer paid \$72 into a special fund for his superannuation.

The next week, Michael received his payment from Centrelink.

Michael knew it was important to tell Centrelink about his new job so they can change the amount they pay him. Not telling Centrelink means Michael could be paid too much money by Centrelink and would then have a debt. He would have to pay them back or get into trouble.

Michael phoned Centrelink to tell them about his new job and he sent them a copy of the letter from his employer.

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