



Tax offset questions T1-T2

How to complete the tax offset questions T1 and T2 in your paper tax return.

T1 Seniors and pensioners (includes self-funded retirees) 2022



Complete this question if you meet the conditions to claim the seniors and pensioners tax offset.

T2 Australian superannuation income stream 2022



Complete this question to help you work out if you're eligible for this tax offset and the amount you can claim.

Tax offsets that you show on the supplementary section of the tax return 2022



Complete this question if you had tax offsets you need to complete in the supplementary section of the tax return.

Total tax offsets 2022



Complete this question with the total tax offsets in your tax return.

Rebate income 2022



Work out your rebate income and if you're eligible for the seniors and pensioners tax offset at question T1.

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T1 Seniors and pensioners (includes self-funded retirees) 2022

Complete this question if you meet the conditions to claim the seniors and pensioners tax offset.

26 May 2022

You can claim the seniors and pensioners tax offset if you met all the conditions relating to:

- eligibility for Australian Government pensions or allowances, and
- income.

If you had a spouse:

- you also need to work out whether they were eligible
- you may not get the seniors and pensioners tax offset even if you meet all the eligibility conditions as the amount of the tax offset is based on your individual rebate income, not your combined rebate income.

See the definition of spouse in [Special circumstances and glossary 2022](#).

You cannot claim this tax offset if you were in jail for the whole of 2021–22.

Work out your rebate income using the worksheet in [Rebate income 2022](#).

Answering this question

Condition 1: Eligibility for Australian Government pensions and similar payments

Did any of the following apply to you in 2021–22?

Condition	Explanation
<p>A</p>	<p>You showed at item 6 on your tax return:</p> <ul style="list-style-type: none"> • an Australian Government pension or allowance from Centrelink, or • a pension, allowance or benefit from the Department of Veterans' Affairs (DVA).
<p>B</p>	<p>You met the Centrelink age pension age requirement and were eligible for an Australian Government age pension during 2021–22, but did not receive it because you did not make a claim, or because of the income test or the assets test, and you satisfied one of the following:</p> <ul style="list-style-type: none"> • you had been an Australian resident for age-pension purposes for 10 years or more, of which five years were continuous • you had a qualifying residence exemption because you arrived in Australia as a refugee or under a special humanitarian program • you received a partner allowance, a widow allowance, or a widow B pension immediately before turning age pension age • you are a woman who was widowed in Australia, and <ul style="list-style-type: none"> – you and your late partner were Australian residents when your late partner died – you are currently in Australia, and – you have been an Australian resident for at least the last two years • you are a woman and on 19 March 2020 <ul style="list-style-type: none"> – you were receiving a wife pension and you were not receiving a carer allowance, or

	<ul style="list-style-type: none"> – you were receiving a special needs widow B pension • you would have qualified for an age pension under an international social security agreement. <p>To find out whether you meet the Centrelink age pension age requirement, go to More information.</p> <p>If you need help to work out whether you were eligible for a social security or Centrelink pension, go to servicesaustralia.gov.au ↗ or contact us ↗.</p> <p>For all other enquiries about the seniors and pensioners tax offset, contact us.</p>
C	<p>You met the veteran pension age test and were eligible for a pension, allowance or benefit from Veterans' Affairs during 2021–22, but did not receive it because you did not make a claim, or because of the income test or the assets test, and you were:</p> <ul style="list-style-type: none"> • a veteran with eligible war service, or • a Commonwealth veteran, allied veteran or allied mariner with qualifying service. <p>To find out whether you meet the veteran pension age test, go to More information.</p> <p>If you are not sure whether you were eligible for a payment, go to dva.gov.au ↗ or contact us ↗.</p>

Yes	You meet condition 1. Read condition 2.
No	You are not eligible for this tax offset. Go to question T2 Australian superannuation income stream 2022, or return to main menu Individual tax return instructions 2022.

Condition 2: Income

You meet this condition if any of the following applied to you in 2021–22:

- You did not have a spouse, and your rebate income was less than \$50,119.
- You had a spouse, and the combined rebate income of you and your spouse was less than \$83,580.
- At any time in 2021–22
 - you and your spouse [had to live apart due to illness](#) or because one of you was in a nursing home, and
 - the combined rebate income of you and your spouse was less than \$95,198.

Your combined rebate income is the total of:

- your rebate income
- your spouse's rebate income
- the amount on which a trustee of a trust was liable to pay tax in respect of your spouse because your spouse was under a legal disability, such as being an undischarged bankrupt or a person who was declared legally incapable because of a mental condition.

Do you meet condition 2?

Yes	You meet condition 2. Go to Completing your tax return .
No	You are not eligible for this tax offset. Go to question T2 Australian superannuation income stream 2022, or return to main menu Individual tax return instructions 2022.

Completing your tax return

Step 1

Work out which of the following code letters applied to your circumstances at any time in 2021–22.

Seniors and pensioners tax offset code letters

Code letter	Explanation
A	You were single, separated or widowed.
B	You and your spouse: <ul style="list-style-type: none">• were both eligible for the seniors and pensioners tax offset, and• had to live apart due to illness or lived apart because one of you was in a nursing home.
C	<ul style="list-style-type: none">• Your spouse was not eligible for the seniors and pensioners tax offset, and• you and your spouse<ul style="list-style-type: none">– had to live apart due to illness, or– lived apart because one of you was in a nursing home.
D	You and your spouse: <ul style="list-style-type: none">• lived together, and• were both eligible for the seniors and pensioners tax offset.
E	You and your spouse: <ul style="list-style-type: none">• lived together, and• your spouse was not eligible for the seniors and pensioners tax offset.

Had to live apart due to illness refers to situations where you and your spouse did not live together because one or both of you had an indefinitely continuing illness or infirmity and, as a result, your combined living expenses were increased.

Did more than one code letter apply?

No	Go to step 2
Yes	<p>Use the first code letter that applied to you in the list above, unless one of the two circumstances below applied to you:</p> <ul style="list-style-type: none">• Both A and B applied, and your spouse's taxable income was less than \$18,334 use code B.• Both A and D applied, and your spouse's taxable income was less than \$12,494 use code D. <p>Your spouse's taxable income is the amount you show at O on page 9 of your tax return.</p>

Step 2

Print your code letter from step 1 in the **TAX OFFSET CODE** box at **N** item **T1**.

We will work out the amount of your tax offset.

Step 3

Are you or your spouse a veteran, war widow or war widower?

No	Go to step 4 .
Yes	Select the veteran code letter that applies to you.

Veteran code letters

You were a veteran, war widow or war widower.	V
Your spouse was a veteran, war widow or war widower.	W
Both V and W applied to you.	X

Print the code letter in the **VETERAN CODE** box at **Y** item **T1**.

Step 4

You must read **Income tests 2022** and complete all income tests items.

Step 5


If you had a spouse during 2021–22 you must complete **Spouse details – married or de facto** on pages 8–9 of your tax return.

Any unused portion of tax offset

If both you and your spouse are eligible for the seniors and pensioners tax offset and one of you does not use it all, the unused portion may be available for transfer to the other person. We will work this out automatically and transfer any entitlement.

To work out whether there is any unused spouse's seniors and pensioners tax offset available to transfer to you, we do not take your spouse's other credits and tax offsets into account.

More information

To be eligible for an **Australian Government age pension** from Centrelink, on 30 June 2022 a pensioner must be [66 years and six months or older](#) .

To be eligible for a **pension, allowance or benefit** from **Veterans' Affairs** you must meet the veteran pension age test and on 30 June 2022 be 60 years old or older.

You meet the veteran pension age test if one of the following applied to you and you were eligible for a pension, allowance or benefit under the *Veterans' Entitlements Act 1986*:

- you have eligible war service, that is, service in World War II or operational service as a member of the Australian Defence Force
- you are a Commonwealth or allied veteran who served in a conflict in which the Australian Defence Force was engaged during a period of hostilities, that is, in World War II, Korea, Malaya, Indonesia or Vietnam
- you are an Australian or allied mariner who served during World War II
- you are the war widow or widower of a former member of the Australian Defence Force.

Pension, allowance or **benefit** includes:

- disability pension
- service pension
- white or gold Repatriation health cards for treatment entitlements.

If you are not sure if you meet the veteran pension age test, go to dva.gov.au or [contact us](#).

Where to go next

- Go to question T2 Australian superannuation income stream 2022.
- Return to main menu Individual tax return instructions 2022.
- Go back to Taxable income or loss 2022.

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T2 Australian superannuation income stream 2022

Complete this question to help you work out if you're eligible for this tax offset and the amount you can claim.

26 May 2022

Did you receive an Australian superannuation income stream shown on a PAYG payment summary – superannuation income stream?

No	Go to Tax offsets that you show on the supplementary section of the tax return, or return to main menu Individual tax return instructions 2022.
Yes	Read on.

Did you show an amount at M item 7 'Assessable amount from capped defined benefit income stream'?

Yes	You are not entitled to a tax offset on the untaxed element that relates to the amount shown at M item 7 . However, you may be entitled to a tax offset on another amount. Read on.
No	Read on.

Step 1

Were you:

- **under 60 years old at any time in 2021–22, and**
- **not receiving a death benefit income stream where the deceased was 60 years old or older at the time of death?**

Yes	Add up the tax offsets shown on your payment summaries. Add the result to any other amount at g in worksheet 1 . Read on.
No	Read on.

Step 2

Were you:

- **under 60 years old at any time in 2021–22, and**
- **receiving a death benefit income stream where the deceased was 60 years old or older at the time of death?**

Yes	Add up the tax offsets, shown on your payment summaries, that do not relate to a capped defined benefit income stream that is a death benefit income stream where the deceased was 60 years old or older. Add the result to any other amount at g in worksheet 1 . Read on.
No	Read on.

Step 3

In 2021–22, did you receive a capped defined benefit income stream with an untaxed element when:

- **you were 60 years old or older, or**
- **you were under 60 years old and you were receiving a death benefit income stream where the deceased was 60 years old or older at the time of death?**

Yes	The tax offset amount you need is not shown on your <i>PAYG payment summary – superannuation income stream</i> . Go to Completing worksheet 1 to work it out.
No	Add together amounts at g in worksheet 1 and transfer to S item T2 .

Completing worksheet 1

You must now calculate your tax offset on the untaxed element. If your tax offset for a capped defined benefit income stream is shown on your *PAYG payment summary – superannuation income stream*, you must disregard it. For more information, go to **Defined benefit income cap tool**.

You need the following amounts to complete worksheet 1:

- from question 7, your defined benefit income cap
- from your *PAYG payment summary – superannuation income stream*
 - the sum of your taxed element and tax-free components you received when you were
 - 60 years old or older, or
 - under 60 years old and the income stream was a death benefit income stream where the deceased was 60 years old or older (These amounts are to include lump sum in arrears).
 - the sum of your untaxed element, including lump sum in arrears, you received when you were
 - 60 years old or older, or
 - under 60 years old and the income stream was a death benefit income stream where the deceased was 60 years old

or older.

Worksheet 1

Row	Calculation	Amount
a	Defined benefit income cap (from question 7)	\$
b	Your total taxed element and tax-free components	\$
c	If b is greater than a then you are not entitled to an offset on your untaxed element. Write 0 at f and then go to g . Where b is less than a then subtract b from a .	\$
d	Your total untaxed element	\$
e	Write the lesser of c and d .	\$
f	Multiply e by 10%.	\$
g	Add together any amount from steps 1 and 2.	\$
h	Add together f and g . This is your tax offset.	\$

Transfer the amount at **h** to **S** item **T2**.

Where to go next

- Go to Tax offsets that you show on the supplementary section of the tax return 2022.
- Return to main menu Individual tax return instructions 2022.
- Go back to question T1 Seniors and pensioners (includes self-funded retirees) 2022.

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Tax offsets that you show on the supplementary section of the tax return 2022

Complete this question if you had tax offsets you need to complete in the supplementary section of the tax return.

26 May 2022

You need to use *Individual tax return instructions supplement 2022* if you were entitled to any of the following tax offsets:

- tax offset for superannuation contributions on behalf of your spouse
- tax offset for living in a remote or isolated area of Australia
- tax offset for serving overseas as a member of the Australian Defence Force or a United Nations armed force
- tax offset for maintenance of an invalid or an invalid carer who is 16 years old or older
- landcare and water facility tax offset brought forward from an earlier year
- tax offset for early-stage venture capital limited partnership
- tax offset for early-stage investor
- foreign income tax offset, which you claimed at item **20**
- tax offset for tax paid by the trustee of a special disability trust if you were the principal beneficiary
- tax offset for exploration credits.

Were you entitled to any of the above tax offsets?

No	Go to Total tax offsets 2022, or return to main menu Individual tax return instructions 2022.
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Yes	Read below.
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Answering this question

You can get a copy of the *Tax return for individuals (supplementary section) 2022* from our Publication Ordering Service.

Completing your tax return

Step 1

Complete the details at the top of page 13 on your *Tax return for individuals (supplementary section) 2022*. Use *Individual tax return instructions supplement 2022* to complete the **Tax offsets** section on page 16 of your tax return (supplementary section).

Step 2

Transfer the amount you wrote at **Total supplement tax offsets** on page 16 of your tax return (supplementary section) to **T** on page 5 of your tax return.

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Total tax offsets 2022

Complete this question with the total tax offsets in your tax return.

26 May 2022

Completing your tax return

Step 1

Check that you have claimed all the tax offsets you are eligible for.

Step 2

Add up all the tax offset amounts you claimed at items **T2** and **T** on your tax return. (We work out the amounts at item **T1** automatically.)

Step 3

Write the total amount at **U TOTAL TAX OFFSETS** on page 5 of your tax return.

Where to go next

- Go to Adjustments that you show on the supplementary section of your return 2022.
- Return to main menu Individual tax return instructions 2022.
- Go back to Tax offsets that you show on the supplementary section of the tax return 2022.

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Rebate income 2022

Work out your rebate income and if you're eligible for the seniors and pensioners tax offset at question T1.

26 May 2022

We work out what we call 'rebate income' to determine whether you are eligible for the seniors and pensioners tax offset at **T1**.

Your rebate income is the total amount of your taxable income (excluding any assessable First home super saver released amount) plus the following amounts if they apply to you:

- adjusted fringe benefits total, which is the sum of
 - reportable fringe benefits amounts you received from employers exempt from fringe benefits tax under section 57A of the *Fringe Benefits Tax Assessment Act 1986* multiplied by 0.53, and
 - reportable fringe benefits amounts from employers not exempt from fringe benefits tax under section 57A of the *Fringe Benefits Tax Assessment Act 1986*

- reportable employer superannuation contributions
- deductible personal superannuation contributions
- your net financial investment loss (that is, the amount by which your deductions attributable to financial investments exceeded your total financial investment income)
- your net rental property loss (that is, the amount by which your deductions attributable to rental property exceeded your rental property income).

To work out your rebate income, use the following worksheet.

Worksheet 1 – Working out your rebate income

Row	Calculation	Amount
a	Your taxable income (from Taxable income or loss on your tax return – excluding any assessable First home super saver released amount) If your taxable income is a loss, write 0 .	\$
b	Your reportable employer superannuation contributions (from T item IT2 on your tax return)	\$
c	Your deductible personal superannuation contributions (from H item D12 on your tax return)	\$
d	Your net financial investment loss (from X item IT5 on your tax return)	\$
e	Your net rental property loss (from Y item IT6 on your tax return)	\$
f	Your adjusted fringe benefits total (the sum of: <ul style="list-style-type: none"> • N item IT1 on your tax return multiplied by 0.53 and rounded down to the nearest dollar, and • W item IT1 on your tax return) 	\$

g	Add up the amounts from rows a to f . This is your rebate income.	\$

Where to go next

- Go to question T2 Australian superannuation income stream 2022.
- Return to main menu Individual tax return instructions 2022.
- Go back to question T1 Seniors and pensioners (includes self-funded retirees) 2022.

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