



## Individuals

### Answers to questions on:

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- [Residential rental properties](#)

### Financial hardship

**Question:** I've had my hours cut back at work and I can't afford to pay the bills. What assistance is available to me?

**Answer:** You can apply to have the tax withheld from your pay reduced for the rest of the financial year by lodging a variation form. This means you don't have to wait to get a refund when you lodge your tax return.

If you are considering this, you need to know:

- The variation will apply for the remainder of the financial year.
- The last date for lodgment of your variation application for the current year is 30 April 2020.
- If the amounts withheld do not cover your actual tax liabilities at the end of the year, you will have to pay the balance in your annual tax return.
- You cannot get a variation if any of the following apply
  - Your tax returns are not up to date.
  - You have a debit assessment for the previous year as a result of a previous withholding variation.
  - You have outstanding tax or superannuation debts.
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If you want to apply for a variation, you can lodge your application online:

- [PAYG withholding variation application \(e-variation\) \(/Forms/PAYG-withholding-e-variation/\)](#)

**Question:** My income has decreased due to the downturn in the economy and I can't afford to pay my expenses. Can I access my super?

**Answer:** You may be allowed to withdraw some of your super on compassionate grounds to assist in dealing with the adverse economic effects of COVID-19.

From mid-April you will be able to apply online through myGov to access up to \$10,000 of your superannuation before 1 July 2020.

You will also be able to apply to access up to a further \$10,000 from 1 July 2020 until 24 September 2020.

To apply for early release, you must satisfy **one or more** of the following requirements:

- You are unemployed.
- You are eligible to receive a job seeker payment, youth allowance for jobseekers, parenting payment (which includes the single and partnered payments), special benefit or farm household allowance.
- On or after 1 January 2020, **any** of the following happened
  - You were made redundant.
  - Your working hours were reduced by 20% or more.
  - You were a sole trader and your business was suspended or your turnover decreased by – 20% or more.

The amount of super released early under these circumstances will **not** be included in your assessable income.

**See also:**

- [Early access to your super \(/individuals/super/withdrawing-and-using-your-super/early-access-to-your-super/?anchor=Compassionategrounds&anchor=Compassionategrounds#Compassionategrounds\)](#)
- Treasury's pages [Supporting individuals and households \(https://treasury.gov.au/coronavirus/households\)](#) on
  - *JobKeeper payment – Information for employees*
  - *Income support for individuals*
  - *Payments to support households and Temporary early release of superannuation*
  - *Temporary early release of superannuation*
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**Question:** I am a temporary resident. Can I access my super under the COVID-19 early access arrangements?

**Answer:** Temporary residents are not able to access their super under the Government's temporary early access arrangements for COVID-19.

However, if you have worked and earned super while visiting Australia on a temporary visa, you can apply to have this super paid to you as a departing Australia superannuation payment (DASP) after you leave.

**See also:**

- [Temporary residents and super \(/individuals/super/temporary-residents-and-super/\)](#).
- [Departing Australia Superannuation Payment \(DASP \(/individuals/super/in-detail/temporary-residents-and-super/super-information-for-temporary-residents-departing-australia/\)\)](#)

## **Working from home**

**Question:** My employer is encouraging or requiring me to work from home. Will I be able to claim a deduction for home office expenses?

**Answer:** Yes, if you work from home because of COVID-19, you may be able to claim a deduction for the additional running expenses you incur. These include expenses associated with heating, cooling and lighting in the area you are working from, phone and internet and other running expenses. For further information about home office running expenses, refer to [Home office expenses \(/Individuals/Income-and-deductions/Deductions-you-can-claim/Home-office-expenses/\)](#).

Occupancy expenses relating to your home – such as rent, mortgage interest, property insurance and land taxes – will not become deductible only because you are required to temporarily work from home due to COVID-19. People have asked whether working from home will disqualify them from claiming the main residence capital gains tax exemption when they sell their home. Because working from home in the current circumstances would not, in and of itself, create an entitlement to claim deductions for mortgage interest, you will not lose any part of the main residence exemption.

We are working on additional practical guidance on claiming deductions for working from home expenses which we will release soon. In the meantime, we encourage you to keep:

- receipts for any purchases you made to support working from home
- a record of the amount of time you have spent working from home.

Using [myDeductions \(/General/Online-services/ATO-app/myDeductions/\)](#) in the ATO app is an easy and convenient way to keep your records in one place.

**See also:**

- [Home office expenses \(/Individuals/Income-and-deductions/Deductions-you-can-claim/Home-office-expenses/\)](#).

## Buying protective items

**Question:** Can I claim a deduction for gloves, face masks, sanitiser, anti-bacterial spray that I use at work due to COVID-19?

**Answer:** You may be able to claim a deduction for protective items you purchase and use at work. To be deductible **both** of the following must apply:

- You must have incurred the expense yourself.
- It must have a sufficient connection with the earning of your assessable income, which means
  - you are exposed to the risk of illness or injury in the course of carrying out your income earning activities
  - the risk is not remote or negligible
  - the protective item is of a kind that provides protection from that risk and would reasonably be expected to be used in the circumstances
  - you use the item in the course of carrying out your income earning activities.
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If your specific employment duties require you to have physical contact or be in close proximity to customers or clients while carrying out your duties or you are involved in cleaning premises, you can claim a deduction for expenditure on protective items.

Examples of this type of work include the:

- medical industry (such as doctors, nurses, dentists and allied health workers)
- cleaning industry
- airline industry
- hairdressing and beautician industry
- retail, café and restaurant industry.

If you work in these industries or occupations, the risk is not remote or negligible.

If you use items for both work-related and private purposes, you can only claim a deduction for the portion of the expense that relates to your work-related use.

## Residents temporarily overseas

**Question:** I am working overseas because of COVID-19. What are my Australian tax obligations?

**Answer:** If you usually live and work in Australia and are only temporarily overseas as a result of COVID-19, there will be no change to your Australian tax obligations. If you are required to pay foreign income tax overseas, you will usually be entitled to a foreign income tax offset against

your Australian tax payable.

## **Not an Australian resident, temporarily in Australia**

**Question:** I am not an Australian resident. I am staying in Australia for longer than I expected because of COVID-19. What are my Australian tax obligations?

**Answer:** If you are not an Australian resident for tax purposes and are here temporarily for some weeks or months because of COVID-19 then you will not become an Australian resident for tax purposes provided you:

- usually live overseas permanently
- intend to return there as soon as you are able to.

Your Australian tax obligations will generally remain unchanged. You will:

- not be assessed on income from a foreign source
- remain assessable on income that was already from an Australian source.

**Question:** What happens if I earn employment income while I am here temporarily?

**Answer:** Paid leave: If the income you receive from your foreign employer while in Australia is paid leave (such as annual leave), we don't consider this as Australian income and it would not be assessable in Australia.

Working remotely: If COVID-19 is the only reason why you are working in Australia, and you were not intending to stay in Australia, but you have not been able to leave, we accept that working in Australia for less than three months will not result in you being assessed for Australian tax (regardless of whether your employer is Australian or foreign). As the situation is constantly evolving, we will further consider this in coming weeks.

There are also some limited exceptions to employment income being assessable in Australia. These may apply if you have a foreign employer (without an Australian base), the foreign employer is in a country with which Australia has a double tax agreement and you are present in Australia for 183 days or less. There are also some exceptions if you are a foreign government employee.

The tax residency issue may be more complicated if:

- you end up staying in Australia for a lengthy period
- you do not plan to return to your country of residency when you are able to do so.

Lengthy stays in Australia may result in a change to residency. However, this should not be an immediate concern for people who are here temporarily.

We know that there will be unique situations with a range of potential tax outcomes. The above represents what we consider to be the most likely outcomes at this time. However we will update and may revise this advice progressively as events progress.

**See also:**

- [International tax for individuals \(/Individuals/International-tax-for-individuals/\)](/Individuals/International-tax-for-individuals/).

## **Residential rental properties**

**Question:** My tenants are not paying their full rent or have temporarily stopped paying rent because their income has been adversely affected. Can I still claim deductions on my rental property expenses?

**Answer:** Yes. If tenants are not meeting their payment obligations under the lease agreement due to COVID-19, and you continue to incur normal expenses on your property, then you will still be able to claim these expenses in your tax return.

**Question:** I'm considering reducing the rent for tenants to enable them to stay in the property. The tenants are not in default of their rent. Will my deduction for rental property expenses be reduced because of this?

**Answer:** No. If you decide to reduce the rental amount to enable your tenants to remain in the property (thereby maximising your rental return in a changed rental market), your deduction for rental property expenses will not be reduced.

**Question:** If I receive a back payment of rent or an amount of insurance for lost rent, is this amount assessable income?

**Answer:** Yes. These amounts should be declared as income in the tax year in which you receive the amounts.

**Question:** If the bank defers loan repayments for a period of time as a result of the COVID-19 outbreak, will I be able to claim interest on the loan as a deduction?

**Answer:** Yes. If interest continues to accumulate on your loan then it will be an expense that you have 'incurred' and is therefore deductible. Interest remains deductible on the loan even if the bank defers the repayments.

**Question:** Can I access the new instant asset write-off for assets my property?

**Answer:** No. If you are a property investor, you will not be able to access the instant asset write-off deduction. Find out more about the [instant asset write-off deduction \(/Business/Depreciation-and-capital-expenses-and-allowances/Simpler-depreciation-for-small-business/Instant-asset-write-off/\)](/Business/Depreciation-and-capital-expenses-and-allowances/Simpler-depreciation-for-small-business/Instant-asset-write-off/).

**Return to:**

- [COVID-19 frequently asked questions \(? anchor=COVID19frequentlyaskedquestions#COVID19frequentlyaskedquestions\)](#)

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## **Our commitment to you**

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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