

INCOME LABELS

Prepared by Madhumitha

Prepared in December 2025

INCOME LABELS _6 TO 10

- LABEL 6 : **Australian Government Pensions and Allowances**
- LABEL 7 : **Australian annuities and superannuation income stream**
- LABEL 8 : **Australian superannuation lump sum payments**
- LABEL 9 : **Attributed personal services income**
- LABEL 10: **Gross Interest**

LABEL 6

Australian Government Pensions and Allowances

Introduction :

- Australian Government payments, pensions and allowances are income amounts that you receive from a government agency. Commonly these payments are from Services Australia or the Department of Veteran's affairs (DVA).

- Depending on the payment type you receive, these payments might be either:

  - ✓ taxable – meaning you pay tax on the amounts and must declare the income in your tax return

  - tax-free – meaning you don't pay tax on the amounts, but you may need to declare them in your tax return so we can work out your eligibility for tax offsets and other benefits.

- If you are unsure of the type of payment you receive, contact the government agency to check.

Label : 6 Continuation....

Taxable

Taxable government payments, pensions and allowances include:

1. age pension
2. carer payment
3. Austudy payment
4. JobSeeker payment
5. Youth allowance

Etc.....

This is not an exhaustive list, for a full list of Australian Government payments, pensions and allowances _Refer ATO

Tax-free government pensions or benefits include:

1.carer payment where either:

- both the carer and the care receiver are under age-pension age
- the carer is under age-pension age and any of the care receivers has died.

2.disability support pension paid by Centrelink, if you are under age-pension age

3.invalidity service pension, if the veteran is under age pension age

4.partner service pension where either :

- the partner and the veteran are under the age-pension age and the veteran is receiving an invalidity service pension
- the partner is under age-pension age, the veteran has died and was receiving an invalidity service pension at the time of death.

Tax-free

Refer to next slide for differences between Label -5 & 6 (Some of the payments mentioned in this table relates to Label - 5

Key differences between Label – 5 & 6

🔍 Key Differences

Feature	Label 5	Label 6
Type of Payment	Working-age support	Age-related pensions
Common Recipients	Job seekers, students, carers	Retirees, veterans
Tax Offset Eligibility	Generally not eligible	May be eligible for Senior Australians tax offset
Reporting Section	Question 5	Question 6

Label : 6 Continuation.....

- If you lodge your tax return online most of these payments will be prefilled in your tax return.
- You will need to check the pre-fill information and manually include any amounts that have not pre-filled in your tax return.

Label : 6 Continuation.....

Completing your tax return

To complete this question, follow the steps below.

Step 1

Add up the tax withheld shown on each of your payment summaries and letters.
Write the total under **Tax withheld** at the left of question **6** – label **B**.

Step 2

Add up the income shown on each of your payment summaries and letters.
Write the total at question **6** – label **B**.

LABEL 7

Australian annuities and superannuation income stream

Introduction :

❖Australian annuities :

Australian **annuities** (also called non-superannuation annuities) are paid to you by Australian life insurance companies and friendly societies. You can find these payment amounts on your *PAYG payment summary – individual non-business*.

Label : 7 Continuation.....

❖ Australian superannuation income streams :

- Australian **superannuation income streams** (including lump sum in arrears amounts) are paid to you by Australian superannuation funds, retirement savings account (RSA) providers and or life insurance companies. You can find these payment amounts on your *PAYG payment summary – superannuation income stream* and may include:
  - account based income streams
  - capped defined benefit income streams that are :
    - lifetime pensions, regardless of when they started
    - lifetime annuities that existed prior to 1 July 2017
    - life expectancy pensions and annuities that existed prior to 1 July 2017
    - market-linked pensions and annuities that existed prior to 1 July 2017.

If you received a taxable Australian **superannuation lump sum payment**, don't include in Label - 7

LABEL 8
Australian superannuation lump sum payments

Australian superannuation lump sum payments or superannuation death benefit payments you received, including those paid by:

- superannuation funds
- approved deposit funds
- retirement savings account providers
- life insurance companies.

It is also about:

- Amounts we paid to you in respect of the superannuation guarantee charge or the superannuation holding accounts special account
- Payments you received from the unclaimed money registers.

Label : 8 Continuation.....

Don't show in your tax return:

• Tax-free component of any superannuation lump sum, including any super co-contribution or low-income super tax offset payment from us (these amounts are tax free and not included in your assessable income)

• Lump sum payments you received as a death benefits dependant of the deceased, these amounts are tax free and not included in your assessable income)

• Taxed element of a superannuation lump sum payment you received on or after your 60th birthday (these amounts are tax free and not included in your assessable income) unless it is a death benefit superannuation lump sum payment paid to you as a non-dependant

• Superannuation lump sum payment received as the trustee of a deceased estate (this payment must be shown on the trust tax return of the deceased estate)

• Amounts released under a 'release authority' issued to you because of an excess contributions tax assessment (these amounts are tax free and not included in your assessable income)

• Amounts paid to you because you have a terminal medical condition; these amounts are tax free and you should not have received a *PAYG payment summary – superannuation lump sum* for this type of payment)

• Departing Australia superannuation payments.

LABEL 9
Attributed personal services income

Personal services income (PSI) :

- **Personal services income** (PSI) is income that is mainly a reward for your personal efforts or skills and is generally paid either to you or to a personal services entity (a company, partnership or trust).

- If your PSI is paid to a personal services entity, the income (less certain deductions relating to gaining or producing that income) is attributed to you unless:

    - the personal services entity gained the income in the course of conducting a personal services business, or

    - the income was promptly paid to you by the entity as salary.

➢ If the personal services entity has a net loss relating to your PSI, then no amount is attributed to you. To claim a deduction for the loss in D15 Other deductions not claimable elsewhere in your return 2024.

✓ **If your business operates as a company, partnership or trust, and the personal services income (PSI) rules apply:** You need to attribute or treat any PSI received as belonging to each individual who produced the income.

○ **If your business operates as a sole trader:** You do not need to attribute PSI, as the income is already reported in your individual tax return under Label – 14 Personal services income.

LABEL 10
Gross Interest

Introduction :

Interest paid or credited to you from any source in Australia, including accounts and term deposits held with financial institutions in Australia. This includes:

- Interest paid or credited by ATO

- interest from children's accounts you opened or operated with funds that belonged to you or funds that you used as if they belonged to you

Information required :

- your statements or other documentation from your financial institutions and other sources that show 2023–24 interest income
- any statement of account or notice of assessment (or amended assessment) you received from ATO during 2023–24 that shows interest ATO paid or credited to you, for example
  - interest on early payments
  - interest on overpayments
  - delayed refund interest.

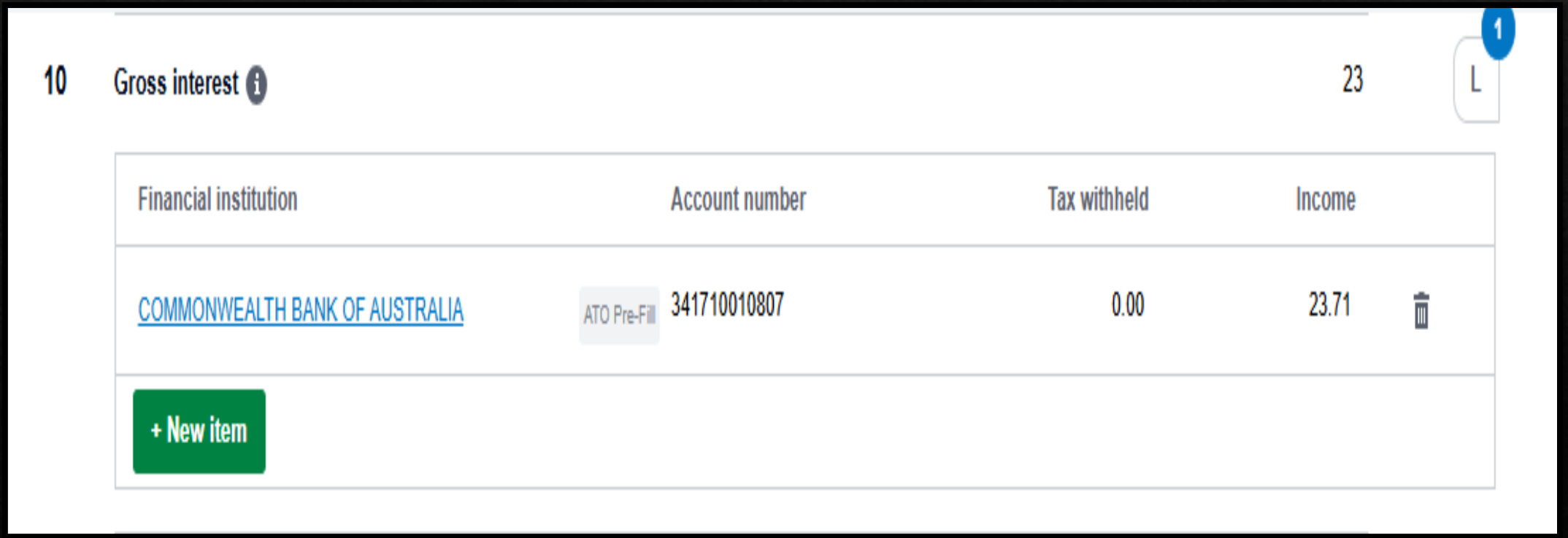
Label : 10 Continuation...

- Show distributions of interest you received, or were entitled to receive, from a partnership or trust (including a cash management trust, property trust, unit trust or other similar trust investment product) in the supplementary tax return at question 13 Partnerships and trusts 2024.

- Show interest from a foreign source in the supplementary tax return at question 20 Foreign source income and foreign assets or property 2024.

Interest _ Tax Return and Supporting Docs

Treatment in ITR _ reported in Label 10 Gross Interest



Supporting Documents

ATO Prefill Report

2022-23 INTEREST INCOME as at 8 July 2023

- A certainty indicator of Yes indicates the ATO has high certainty in this record, as supplied by their financial institution.

Description	Gross	Apportioned	Label
TOTAL GROSS INTEREST	$23.71	$23.71	10L
TOTAL TFN AMOUNTS WITHHELD FROM GROSS INTEREST	$0.00	$0.00	10M

Company name: COMMONWEALTH BANK OF AUSTRALIA
Available for pre-filling: 07/07/2023
Account number: [redacted]
Account name: [redacted]
Investment owners: 1

Description	Gross	Apportioned	Certainty Indicator
Gross interest	$23.71	$23.71	Yes

Interest Summary _Bank Statement

01/07/2022 - 30/06/2023 - Bank Summary - CB A***0807						
				15278.13		
Transaction	Debit	Credit	Running Balance	Description		
Credit Interest		$ 0.04	$ 15,278.17	Credit Interest Bank		
Credit Interest		$ 0.02	$ 5,337.22	Credit Interest Bank		
Credit Interest Adjusted		$ 0.43	$ 7,378.56	Credit Interest Bank		
Credit Interest		$ 0.67	$ 9,134.39	Credit Interest Bank		
Credit Interest		$ 2.86	$ 10,700.62	Credit Interest Bank		
Credit Interest		$ 4.26	$ 10,896.47	Credit Interest Bank		
Credit Interest		$ 4.85	$ 11,745.29	Credit Interest Bank		
Credit Interest		$ 5.24	$ 13,096.58	Credit Interest Bank		
Credit Interest		$ 5.34	$ 10,453.81	Credit Interest Bank	$ 23.71	Total Interest as per Bank Statement