

ezytax
BLUE

t2 offset
calculator



T2 CALCULATOR

When a client receives Item 7 income (Australian annuities and superannuation income streams), they may be eligible for a tax offset. This is called the T2 Offset and can be viewed on the Tax Offsets tab in MYOB.

How To Calculate Offset Amount

MYOB has an inbuilt calculator/schedule that can be selected, however DO NOT use it. The ATO's defined benefit income cap tool is better.



A link to the calculator is on the Ezytax Admin Portal or click <https://www.ato.gov.au/single-page-applications/calculatorsandtools?anchor=DBICT#DBICT/questions>


How to Use the Defined Benefit Cap Income Tool

Defined benefit income cap tool

All fields marked with * are mandatory

Income year *


2022-23   **1**

Are you lodging for a [deceased estate](#)  and the deceased was aged 60 or over at the time of death? *

Yes

No **2**

Date of birth *

20/02/1958  **3**

- 1) Click the drop down and choose the correct Income Year
- 2) Choose No if not a deceased estate
- 3) Enter Client's **DOB**.

Payment summary 4 Add ⊕

No payment summary details

- 4) Click 'Add' Payment Summary Info from the prefill

Type of payment summary: Australian annuities and superannuation income stream (AASIS)
(Original)

Available for pre-filling: 12/07/2023

ABN: 48882817243/1

Payer's name: COMMONWEALTH SUPERANNUATION CORPORATION

Period from: 01/07/2022

Period to: 30/06/2023

- Your client is aged 60 years or over. The taxed element amounts are non-assessable, non-exempt income. Your client does not have to declare this income in their tax return. However, if your client is receiving amounts from a capped defined benefit income stream, they may need to include amounts in their tax return. AASIS data is provided to assist you in determining any amounts that need to be included.

| Description | Type | Tax withheld | Income | Label |
|-------------------------------------|------|--------------|-------------|-------|
| Total tax withheld | | \$6,435.00 | | 7 |
| Taxable component - untaxed element | | | \$65,057.00 | 7N |

15/03/2024, 12:20 pm

ian Taxation Office Tax Agent Portal - Pre-filling report 2023 <https://onlineservices.ato.gov.au/OnlineServices/AgentReports>

Reversionary income stream indicator No

Payer's name
COMMONWEALTH SUPERANNUATION CORPORATION

Payer's ABN
48882817243

Payment period start date *
01/07/2022




Payment period end date *
30/06/2023

Tax withheld
\$ 6435.00

Taxable component
Taxed element
\$.00

Untaxed element
\$ 65057.00

- 5) Click 'Save and Continue'
- 6) The payment summary should now be saved
- 7) Repeat for multiple Item 7 Payment Summaries

| Payment summary | | | | Add  |
|---|---------------------------|-------------------------|--------------|---|
| Payer's name | Payment period start date | Payment period end date | Tax withheld | |
| COMMONWEALTH SUPERANNUATION CORPORATION | 01/07/2022 | 30/06/2023 | \$6,435.00 | Edit  Delete  |

- 8) Click 'Show Result'

Defined benefit income cap

Your defined benefit income cap is \$106,250.00

Calculated amounts

Based on the information that has been entered above, the following amounts are to be included in your return.

Taxed element: \$0.00

Untaxed element: \$65,057.00

Assessable amount from capped defined benefit income stream: \$0.00

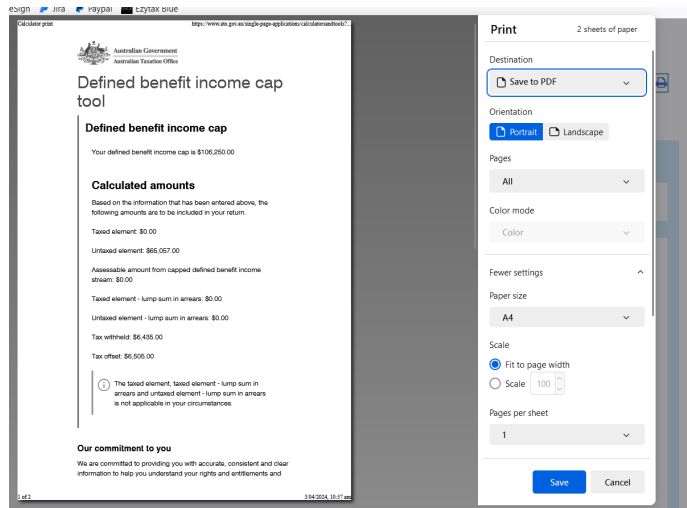
Taxed element - lump sum in arrears: \$0.00

Untaxed element - lump sum in arrears: \$0.00

Tax withheld: \$6,435.00

Tax offset: \$6,505.00

- 9) Click 'Printer Friendly Version'
- 10) Choose 'Save to PDF' to save a copy. File Name is: *LastName FirstName – T2 Calc.* Save the PDF into the Client's Signed ITR folder for review.



11) Enter the **Tax Offset** amount directly into T2 Offset box in MYOB. DO NOT CLICK ON THE SCHEDULE!!

A screenshot of the MYOB software interface showing the 'Tax offsets' section. The 'Tax offsets' tab is highlighted with a pink box. Below the tabs, the 'T2 Australian superannuation income stream' section is highlighted with a pink box. It shows a radio button labeled 'S' selected, and a text input field containing the value '6505'. Other sections visible include 'T1 Senior and pensioners (includes self-funded retirees)' with 'Tax offset' and 'Veteran' radio buttons set to 'N' and 'Y' respectively.