

Taxation System Worksheet - Answer Key

Q1. What does TFN stand for?

Answer: Tax File Number

Explanation: A unique 9-digit number issued by the ATO to identify individuals in the tax system.

Q2. What is the current tax-free threshold?

Answer: \$18,200 per financial year (2025-26 FY)

Explanation: This is the amount you can earn before paying any income tax.

Q3. If you don't provide your TFN to your employer, what rate will they withhold tax at?

Answer: 47% (the highest marginal rate)

Explanation: This is to ensure tax is collected even without a TFN.

Q4. What is the Australian financial year?

Answer: 1 July to 30 June

Explanation: Different from calendar year - important for tax calculations.

Q5. Is it free to apply for a TFN?

Answer: Yes, always free through the ATO

Explanation: Never pay anyone for a TFN - it's a scam if they ask for money.

Q6. What does 'cash-in-hand' or 'paid under the table' mean?

Answer: Being paid without tax records or proper employment documentation

Explanation: This is illegal in Australia. It means no WorkCover, no super, and no legal protections.

Q7. Can you claim the tax-free threshold with more than one employer?

Answer: No - you can only claim it with one employer

Explanation: Choose the employer who pays you the most to claim the tax-free threshold with.