

# First job? Here's the basic money advice you wish you'd been taught at school

Congrats! You have battled through the competitive employment market and managed to score yourself your first job.

However, exciting as it may be, there are a lot of practicalities that come with being employed and it's important that if you're entering the workforce in 2018, you put serious thought into your finances and understanding your rights. Because when it comes to your money, there's a lot more to consider than whether or not you should be [ditching the avocados](#).

We promise - your future self will thank you later.

## **What counts as work?**

The Fair Work Ombudsman stipulates workers are paid for all hours of work, including attending team and individual meetings at the employer's request, the time spent opening and closing the business, attending training sessions, travelling during work hours for tasks which are associated with employment, and going to compulsory work functions. Visit [fairwork.gov.au](http://fairwork.gov.au) or call 13 13 94 for more information about entitlements.

## **Superannuation in a nut-shell**

An employer must pay 10 percent of the value of a worker's ordinary time earnings (this does not include overtime) into their superannuation fund if they are earning more than \$450 in a calendar month. If the worker is younger than 18, they must also be working more than 30 hours a week.

## **Why you should care about your superannuation**

As Australians cannot access their super until they reach retirement age, young workers often do not give it a second thought, but smart decisions in their early work years can make a significant difference to their final balance.

The average 18-year-old with a [QSuper](#) fund has \$1200 in superannuation. QSuper head of customers and marketing Tim Cochrane says it is a lot of money for a young person and it adds up markedly over their working life through compound interest.

You need to be making educated decisions about your finances - "It's incredibly important that anybody earning super understands how it works, what it entitles them to and the different elements of superannuation - things like understanding that having multiple accounts and paying multiple fees can reduce value," he says. "They need to understand what it means for insurance, the investment options they are in and the fees they are paying."

### **Superannuation check-up**

Young workers who have had multiple jobs may have several superannuation accounts if employers open a new one for them. They can consolidate the balance into a single fund to avoid paying more than one set of fees.

Ashley Daykin, law student and legal administration assistant at [Daykin Family Law](#), says she wasn't taught anything about tax or superannuation at school. "When I had casual jobs, I had them open super accounts for me, but I never had a second thought about it because it wasn't in my daily life," she says.

"My mum works in super so she has encouraged me to look into it. "Finding out what accounts you have is really easy or you can open a new account and give them the authority to roll them all into one. When I did that I got an email and was expecting to see maybe \$10 dollars in my super account but there was over \$400 in there."

### **What you should be thinking about at tax time**

When starting a new job, an employer will ask for a worker's tax file number (TFN) - which can be applied for through the mail, or in-person at [Australia Post](#) or [Centrelink](#).

TFNs are needed when applying for government benefits or an Australian Business Number (ABN) or lodging a tax return when some costs associated with work can be used to offset tax paid during the year. It does not mean costs are completely paid for

by the government, rather a portion - which differs depending on the worker's income that year - is refunded.

To claim a work-related deduction, a worker must have spent the money themselves and not been reimbursed by their employer; the expense must be directly related to earning their income; and they must have a record, such as a receipt, to prove it.

Some expenses that can be claimed at tax time include buying and cleaning occupation-specific clothing, such as checked chef pants; tools used for work, such as computer software or power tools; and some travel expenses, such as fuel needed to drive from a normal workplace to an alternate workplace or conference.

For more information, visit the Australian Taxation Office website [ato.gov.au](https://ato.gov.au)

*This article was first published by Melanie Burgess, Deputy Careers Editor at News Corp Australia*