**A Guide to Taxation for Australian Expats Preparing for Departure**

Embarking on an international journey and leaving Australia to be an expatriate can be the start of something new! However, it does also come with its fair share of responsibilities, particularly when it comes to taxation.

Before you bid farewell to the land down under, you need to understand your tax and super obligations to ensure you return home with no complications. Let’s now explore what expats need to do before leaving Australia.

1. **Understanding Your Tax Obligations**

Before packing your bags, it's essential to have a clear understanding of your tax obligations as an Australian expatriate. If you remain a resident of Australia, you will need to continue to lodge an Australian tax return, even if you are living and working overseas.

1. **Declare Income**

One of the primary obligations for Australian expats is to declare all income earned, whether domestically or abroad. This includes foreign employment income, bonuses, dividends, and any other earnings. This includes any exempt income even if tax was withheld in the country where it was earned. As such, expats should maintain detailed records of their income sources, including pay slips, employment contracts, and any other relevant documentation.

1. **Capital Gains on Assets**

If you own assets in Australia, such as real estate or investments, you may be subject to capital gains tax (CGT) when you sell or dispose of these assets. For example, if you choose to rent out your home while you are overseas, any income generated from this is included under capital gains. You may still need to pay CGT even if you decide to sell your home and cease to be an Australian citizen, so it is crucial to determine the CGT implications of selling assets before leaving the country.

1. **Medicare Levy Surcharge and Private Health Insurance**

As an Australian resident, you are subject to the Medicare levy if you have income above surcharge thresholds and do not have an appropriate level of private patient hospital cover. However, as an expatriate, you may be eligible for an exemption from the Medicare levy if you meet specific criteria. It's important to understand the eligibility requirements and apply for an exemption if applicable.

This criteria likely includes some form of private medical insurance. Maintaining private health insurance while overseas is a prudent choice for many expatriates. This not only ensures access to quality healthcare but also helps avoid the Medicare levy surcharge. Before departing Australia, review your health insurance coverage and make sure it is sufficient for your needs abroad.

1. **Superannuation Considerations**

Superannuation, the Australian retirement savings system, remains subject to the same rules if you are a citizen leaving the country temporarily or permanently. This means you will not be able to access it until you reach preservation age and retire. With this, you may choose to leave your superannuation in Australia, transfer it to a qualifying overseas fund, or continue contributing to it while abroad.

1. **Seeking Professional Advice**

Dealing with international taxation, especially amidst a big move, can be daunting, and seeking professional advice to help you navigate this is highly recommended. Tax laws can vary between countries, and a qualified tax adviser specialising in expatriate taxation can provide personalised guidance based on your unique situation. Before leaving Australia, consult with a tax professional to ensure that you are aware of all relevant obligations and opportunities for optimisation.

**Start Planning for Your Move**

Preparing for departure as an Australian expatriate involves more than just packing your bags; you need a good understanding of your tax obligations to ensure everything is in line for your return! By staying informed and seeking professional advice when needed, you can navigate the complexities of international taxation with confidence.

Here at Proctor Wealth, we offer expats from all over the world comprehensive financial planning advice based on their unique financial requirements. Want to learn more about our services and how we can help? [Reach out](https://www.proctorwealthassociates.com/contact-us) or [schedule a call](https://www.pwa-intl.com/book/will-glyn) with our team today! If you need tax advice we have a network of expat tax professionals we can refer you to.