

# Medicare levy adjustment fortnightly tax table

This table should be read with the *PAYG withholding – Fortnightly tax table incorporating Medicare levy* (NAT 1006) and the *Medicare levy variation declaration* (NAT 0929)



**FOR PAYMENTS MADE ON OR AFTER 1 JULY 2009.**



This document is a withholding schedule made by the Commissioner of Taxation in accordance with sections 15-25 and 15-30 of Schedule 1 to the *Taxation Administration Act 1953*. It applies to withholding payments covered by Subdivisions 12-B (except sections 12-50 and 12-55) and 12-D of Schedule 1.



For more information visit [www.ato.gov.au](http://www.ato.gov.au)



## WHO SHOULD USE THIS TABLE?

Use this table if you make payments on a fortnightly basis and the payee is entitled to a Medicare levy adjustment.

A payee is entitled to an adjustment if the payee:

- has provided you with a *Medicare levy variation declaration* in which they:
  - claimed dependants, and
  - answered ‘YES’ to question 10, ‘Is the combined weekly income of you and your spouse, or your income as a sole parent, less than the relevant amount in table A on page 1?’, and
- has fortnightly earnings of \$678 or more, but less than the corresponding amount in column A of table 1. For example, a payee who claims two dependent children must have fortnightly earnings of less than \$1,594 to be entitled to a Medicare levy adjustment.

❗ No Medicare levy is payable on fortnightly earnings of less than \$678.

If a payee claims more than 10 children, the column A amount is \$2,592, plus \$124 for each child claimed in excess of 10.

Column B shows the values used in calculating adjustments for payees with more than five dependent children. If a payee claims more than 10 dependent children, the column B amount is \$2,204.62 plus \$106.04 for each child in excess of 10.

➤ See ‘How to calculate the Medicare levy adjustment’ to use columns A and B.

**TABLE 1**

	Column A	Column B
Spouse only	\$1,346	—
Number of children		
1	\$1,470	—
2	\$1,594	—
3	\$1,720	—
4	\$1,844	—
5	\$1,968	—
6	\$2,094	\$1,780.46
7	\$2,218	\$1,886.50
8	\$2,344	\$1,992.54
9	\$2,468	\$2,098.58
10	\$2,592	\$2,204.62

## USING FORMULAS

The Medicare levy adjustments shown in this table can be expressed in a mathematical form.

If you have developed your own payroll software package, you will need to use the *PAYG withholding – Statement of formulas for calculating amounts to be withheld* (NAT 1004). A copy of this schedule is available from [www.ato.gov.au](http://www.ato.gov.au)

## HOW TO WORK OUT WITHHOLDING AMOUNTS

- 1 Use the *PAYG withholding – Fortnightly tax table* (NAT 1006) to find the fortnightly amount to be withheld from the payee’s earnings, allowing for any tax offsets claimed.
- 2 Reduce this amount by the amount of the Medicare levy adjustment, worked out as detailed below.

❗ Where the adjustment equals or exceeds the amount obtained in step 1, the amount to be withheld is nil.

## HOW TO CALCULATE THE MEDICARE LEVY ADJUSTMENT

### Payee claiming spouse and/or one to five dependent children

Round the fortnightly earnings down to the nearest dollar amount. Use the table on page 3 to find the payee’s fortnightly earnings, or the nearest lower figure, in the ‘Fortnightly earnings’ column and find the corresponding amount of Medicare levy adjustment in the appropriate column.

## EXAMPLE

The payee has fortnightly earnings of \$703.40 and is claiming four dependent children on the *Medicare levy variation declaration*. Find \$703, or the nearest lower figure (in this case \$702), in the ‘Fortnightly earnings’ column and refer to the corresponding Medicare levy adjustment of \$2.00 in the ‘4 children’ column.

### Payee with more than five dependent children

#### 1 Fortnightly earnings less than \$1,676 – Use the ‘5 children’ column

Round the fortnightly earnings down to the next dollar amount. Use the table beginning on page 3 to find the payee’s earnings, or the nearest lower figure, in the ‘Fortnightly earnings’ column and refer to the corresponding amount of Medicare levy adjustment in the ‘5 children’ column.

## EXAMPLE

The payee has fortnightly earnings of \$841.30 and is claiming six dependent children. Find \$840 in the ‘Fortnightly earnings’ column and refer to the corresponding Medicare levy adjustment of \$12.00 in the ‘5 children’ column.

#### 2 Fortnightly earnings of \$1,676 or more but less than the column B amount that corresponds to the number of dependent children claimed

Round the fortnightly earnings down to the next dollar amount. Take 1.5% of that amount and round to the nearest dollar.

## EXAMPLE

The payee has fortnightly earnings of \$1,684.90 and is claiming seven dependent children. Take 1.5% of \$1,684 (the next lower dollar amount), this equals \$25.26.

The Medicare levy adjustment is \$25, rounded to the nearest dollar.

#### 3 Fortnightly earnings of \$1,676 or more and greater than the column B amount but less than the column A amount that corresponds to the number of dependent children claimed

- a Take 1.5% of the relevant column B amount. Round the result to the nearest cent.
- b Take 8.5% of the difference between the fortnightly earnings (round down to the next dollar amount) and the column B amount. Round the result to the nearest cent.
- c Subtract the result of step b from step a.
- d Round the result to the nearest dollar.

## EXAMPLE

The payee has fortnightly earnings of \$2,008.40 and is claiming eight dependent children.

- a  $1.5\% \times \$1,992.54$  (column B amount for eight children) = \$29.89
- b  $8.5\% \times (\$2,008 - \$1,992.54)$  =  $8.5\% \times \$15.46$  = \$1.31
- c  $\$29.89 - \$1.31$  = \$28.58
- d \$29.00 (\$28.58 rounded to the nearest dollar).

The Medicare levy adjustment is \$29.

## PAYG WITHHOLDING PUBLICATIONS

All PAYG withholding tax tables and other PAYG publications can be accessed quickly and easily from [www.ato.gov.au](http://www.ato.gov.au)

Copies of weekly and fortnightly tax tables are available from most newsagents. Newsagents also hold copies of the *Tax file number declaration* (NAT 3092) and the *Withholding declaration* (NAT 3093).







**MEDICARE LEVY ADJUSTMENT FORTNIGHTLY TAX TABLE**

Fortnightly earnings \$	Spouse only \$	1 child \$	2 children \$	3 children \$	4 children \$	5 children \$	Fortnightly earnings \$	Spouse only \$	1 child \$	2 children \$	3 children \$	4 children \$	5 children \$
1696	—	—	—	2.00	12.00	24.00	1836	—	—	—	—	—	12.00
1698	—	—	—	2.00	12.00	22.00	1838	—	—	—	—	—	12.00
1700	—	—	—	2.00	12.00	22.00	1840	—	—	—	—	—	10.00
1702	—	—	—	2.00	12.00	22.00	1842	—	—	—	—	—	10.00
1704	—	—	—	2.00	12.00	22.00	1844	—	—	—	—	—	10.00
1706	—	—	—	2.00	12.00	22.00	1846	—	—	—	—	—	10.00
1708	—	—	—	—	12.00	22.00	1848	—	—	—	—	—	10.00
1710	—	—	—	—	12.00	22.00	1850	—	—	—	—	—	10.00
1712	—	—	—	—	12.00	22.00	1852	—	—	—	—	—	10.00
1714	—	—	—	—	10.00	22.00	1854	—	—	—	—	—	10.00
1716	—	—	—	—	10.00	22.00	1856	—	—	—	—	—	10.00
1718	—	—	—	—	10.00	22.00	1858	—	—	—	—	—	10.00
1720	—	—	—	—	10.00	22.00	1860	—	—	—	—	—	10.00
1722	—	—	—	—	10.00	20.00	1862	—	—	—	—	—	10.00
1724	—	—	—	—	10.00	20.00	1864	—	—	—	—	—	8.00
1726	—	—	—	—	10.00	20.00	1866	—	—	—	—	—	8.00
1728	—	—	—	—	10.00	20.00	1868	—	—	—	—	—	8.00
1730	—	—	—	—	10.00	20.00	1870	—	—	—	—	—	8.00
1732	—	—	—	—	10.00	20.00	1872	—	—	—	—	—	8.00
1734	—	—	—	—	10.00	20.00	1874	—	—	—	—	—	8.00
1736	—	—	—	—	10.00	20.00	1876	—	—	—	—	—	8.00
1738	—	—	—	—	8.00	20.00	1878	—	—	—	—	—	8.00
1740	—	—	—	—	8.00	20.00	1880	—	—	—	—	—	8.00
1742	—	—	—	—	8.00	20.00	1882	—	—	—	—	—	8.00
1744	—	—	—	—	8.00	20.00	1884	—	—	—	—	—	8.00
1746	—	—	—	—	8.00	18.00	1886	—	—	—	—	—	6.00
1748	—	—	—	—	8.00	18.00	1888	—	—	—	—	—	6.00
1750	—	—	—	—	8.00	18.00	1890	—	—	—	—	—	6.00
1752	—	—	—	—	8.00	18.00	1892	—	—	—	—	—	6.00
1754	—	—	—	—	8.00	18.00	1894	—	—	—	—	—	6.00
1756	—	—	—	—	8.00	18.00	1896	—	—	—	—	—	6.00
1758	—	—	—	—	8.00	18.00	1898	—	—	—	—	—	6.00
1760	—	—	—	—	8.00	18.00	1900	—	—	—	—	—	6.00
1762	—	—	—	—	6.00	18.00	1902	—	—	—	—	—	6.00
1764	—	—	—	—	6.00	18.00	1904	—	—	—	—	—	6.00
1766	—	—	—	—	6.00	18.00	1906	—	—	—	—	—	6.00
1768	—	—	—	—	6.00	16.00	1908	—	—	—	—	—	6.00
1770	—	—	—	—	6.00	16.00	1910	—	—	—	—	—	4.00
1772	—	—	—	—	6.00	16.00	1912	—	—	—	—	—	4.00
1774	—	—	—	—	6.00	16.00	1914	—	—	—	—	—	4.00
1776	—	—	—	—	6.00	16.00	1916	—	—	—	—	—	4.00
1778	—	—	—	—	6.00	16.00	1918	—	—	—	—	—	4.00
1780	—	—	—	—	6.00	16.00	1920	—	—	—	—	—	4.00
1782	—	—	—	—	6.00	16.00	1922	—	—	—	—	—	4.00
1784	—	—	—	—	6.00	16.00	1924	—	—	—	—	—	4.00
1786	—	—	—	—	4.00	16.00	1926	—	—	—	—	—	4.00
1788	—	—	—	—	4.00	16.00	1928	—	—	—	—	—	4.00
1790	—	—	—	—	4.00	16.00	1930	—	—	—	—	—	4.00
1792	—	—	—	—	4.00	14.00	1932	—	—	—	—	—	4.00
1794	—	—	—	—	4.00	14.00	1934	—	—	—	—	—	2.00
1796	—	—	—	—	4.00	14.00	1936	—	—	—	—	—	2.00
1798	—	—	—	—	4.00	14.00	1938	—	—	—	—	—	2.00
1800	—	—	—	—	4.00	14.00	1940	—	—	—	—	—	2.00
1802	—	—	—	—	4.00	14.00	1942	—	—	—	—	—	2.00
1804	—	—	—	—	4.00	14.00	1944	—	—	—	—	—	2.00
1806	—	—	—	—	4.00	14.00	1946	—	—	—	—	—	2.00
1808	—	—	—	—	2.00	14.00	1948	—	—	—	—	—	2.00
1810	—	—	—	—	2.00	14.00	1950	—	—	—	—	—	2.00
1812	—	—	—	—	2.00	14.00	1952	—	—	—	—	—	2.00
1814	—	—	—	—	2.00	14.00	1954	—	—	—	—	—	2.00
1816	—	—	—	—	2.00	12.00	1956	—	—	—	—	—	2.00
1818	—	—	—	—	2.00	12.00	1958	—	—	—	—	—	—
1820	—	—	—	—	2.00	12.00	1960	—	—	—	—	—	—
1822	—	—	—	—	2.00	12.00	1962	—	—	—	—	—	—
1824	—	—	—	—	2.00	12.00	1964	—	—	—	—	—	—
1826	—	—	—	—	2.00	12.00	1966	—	—	—	—	—	—
1828	—	—	—	—	2.00	12.00	1968	—	—	—	—	—	—
1830	—	—	—	—	2.00	12.00	1970	—	—	—	—	—	—
1832	—	—	—	—	—	12.00	1972	—	—	—	—	—	—
1834	—	—	—	—	—	12.00	1974	—	—	—	—	—	—

**© COMMONWEALTH OF AUSTRALIA 2009**

This work is copyright. Apart from any use as permitted under the *Copyright Act 1968*, no part may be reproduced by any process without prior written permission from the Commonwealth. Requests and inquiries concerning reproduction and rights should be addressed to the Commonwealth Copyright Administration, Attorney-General's Department, 3-5 National Circuit, Barton ACT 2600 or posted at <http://www.ag.gov.au/cca>

**PUBLISHED BY**

Australian Taxation Office  
Canberra  
May 2009

**OUR COMMITMENT TO YOU**

We are committed to providing you with guidance you can rely on. If you feel that this publication does not fully cover your circumstances, or you are unsure how it applies to you, you can seek further assistance from us.

We regularly revise our publications to take account of any changes to the law, so make sure that you have the latest information. If you are unsure, you can check for a more recent version on our website at [www.ato.gov.au](http://www.ato.gov.au) or contact us.

This publication was current at **May 2009**.

JS 13581