

BUSINESS

PAYERS

TAX TABLE

NAT 1010-05.2007

SEGMENT

AUDIENCE

FORMAT

PRODUCT ID



Australian Government

Australian Taxation Office

SCHEDULE 6

PAY AS YOU GO (PAYG) WITHHOLDING

Medicare levy adjustment weekly tax table

This table should be read with the *PAYG withholding – Weekly tax table incorporating Medicare levy (NAT 1005) and the Medicare levy variation declaration (NAT 0929)*.



**FOR PAYMENTS MADE ON
OR AFTER 1 JULY 2007.**



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**

WHO SHOULD USE THIS TABLE?

Use this table if you make payments to a payee on a weekly 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 weekly earnings of \$318 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 weekly earnings of less than \$749 to be entitled to a Medicare levy adjustment.

❗ No Medicare levy is payable on weekly earnings of less than \$318.

If a payee claims more than 10 children, the column A amount is \$1,218, plus \$58 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 \$1,035.90 plus \$49.88 for each child in excess of 10.

➡ See 'How to calculate the Medicare levy adjustment' below to use columns A and B.

TABLE 1

	Column A	Column B
Spouse only	\$631	—
Number of children		
1	\$690	—
2	\$749	—
3	\$807	—
4	\$866	—
5	\$925	—
6	\$983	\$836.37
7	\$1,042	\$886.25
8	\$1,101	\$936.13
9	\$1,160	\$986.02
10	\$1,218	\$1,035.90

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

HOW TO WORK OUT WITHHOLDING AMOUNTS

- 1 Use the *PAYG withholding – Weekly tax table* (NAT 1005) to find the weekly amount to be withheld from the payee's earnings, allowing for any family tax benefit (FTB) or 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 weekly earnings down to the nearest dollar. Use the table beginning on page 3 to find the payee's weekly earnings, or the closest lower amount, in the 'Weekly earnings' column and read off the corresponding amount of Medicare levy adjustment from the appropriate column.

EXAMPLE

The payee has weekly earnings of \$328.70 and is claiming four dependent children on the *Medicare levy variation declaration*. Find \$328 in the 'Weekly earnings' column and read off the corresponding Medicare levy adjustment of \$1.00 from the '4 children' column.

Payee with more than five dependent children

1 Weekly earnings less than \$787 – Use the '5 children' column

Round the weekly earnings down to the nearest dollar. Use the table beginning on page 3 to find the payee's earnings, or the closest lower amount, in the 'Weekly earnings' column and read off the corresponding amount of Medicare levy adjustment from the '5 children' column.

EXAMPLE

The payee has weekly earnings of \$410.65 and is claiming six dependent children. Find \$410 in the 'Weekly earnings' column and read off the corresponding Medicare levy adjustment of \$6.00 from the '5 children' column.

2 Weekly earnings of \$787 or more but less than the column B amount that corresponds to the number of dependent children claimed

Round the weekly earnings down to the nearest dollar and add 99 cents. Take 1.5% of that amount and round to the nearest dollar.

EXAMPLE

The payee has weekly earnings of \$794.45 and is claiming seven dependent children. Take 1.5% of \$794.99 (weekly earnings of \$794, rounded down to the nearest dollar, plus 99 cents). The amount of the Medicare levy adjustment is \$12.00, rounded to the nearest dollar.

3 Weekly earnings of \$787 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 weekly earnings (round down to the nearest dollar plus 99 cents) 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 weekly earnings of \$938.70 and is claiming eight dependent children.

- a $1.5\% \times \$936.13$ (column B amount for eight children)
= \$14.04
 - b $8.5\% \times (\$938.99 - \$936.13)$
= $8.5\% \times \$2.86$
= \$0.24
 - c $\$14.04 - \0.24
= \$13.80
 - d \$14.00 (\$13.80 rounded to the nearest dollar).
- Therefore, the Medicare levy adjustment is \$14.

PAYG WITHHOLDING PUBLICATIONS

All PAYG withholding tax tables and other PAYG publications can be accessed quickly and easily from 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 WEEKLY TAX TABLE

Weekly earnings \$	Spouse only \$	1 child \$	2 children \$	3 children \$	4 children \$	5 children \$
826	—	—	—	—	3.00	8.00
827	—	—	—	—	3.00	8.00
828	—	—	—	—	3.00	8.00
829	—	—	—	—	3.00	8.00
830	—	—	—	—	3.00	8.00
831	—	—	—	—	3.00	8.00
832	—	—	—	—	3.00	8.00
833	—	—	—	—	3.00	8.00
834	—	—	—	—	3.00	8.00
835	—	—	—	—	3.00	8.00
836	—	—	—	—	3.00	8.00
837	—	—	—	—	2.00	7.00
838	—	—	—	—	2.00	7.00
839	—	—	—	—	2.00	7.00
840	—	—	—	—	2.00	7.00
841	—	—	—	—	2.00	7.00
842	—	—	—	—	2.00	7.00
843	—	—	—	—	2.00	7.00
844	—	—	—	—	2.00	7.00
845	—	—	—	—	2.00	7.00
846	—	—	—	—	2.00	7.00
847	—	—	—	—	2.00	7.00
848	—	—	—	—	1.00	6.00
849	—	—	—	—	1.00	6.00
850	—	—	—	—	1.00	6.00
851	—	—	—	—	1.00	6.00
852	—	—	—	—	1.00	6.00
853	—	—	—	—	1.00	6.00
854	—	—	—	—	1.00	6.00
855	—	—	—	—	1.00	6.00
856	—	—	—	—	1.00	6.00
857	—	—	—	—	1.00	6.00
858	—	—	—	—	1.00	6.00
859	—	—	—	—	1.00	6.00
860	—	—	—	—	—	5.00
861	—	—	—	—	—	5.00
862	—	—	—	—	—	5.00
863	—	—	—	—	—	5.00
864	—	—	—	—	—	5.00
865	—	—	—	—	—	5.00
866	—	—	—	—	—	5.00
867	—	—	—	—	—	5.00
868	—	—	—	—	—	5.00
869	—	—	—	—	—	5.00
870	—	—	—	—	—	5.00
871	—	—	—	—	—	5.00
872	—	—	—	—	—	4.00
873	—	—	—	—	—	4.00
874	—	—	—	—	—	4.00
875	—	—	—	—	—	4.00

Weekly earnings \$	Spouse only \$	1 child \$	2 children \$	3 children \$	4 children \$	5 children \$
876	—	—	—	—	—	4.00
877	—	—	—	—	—	4.00
878	—	—	—	—	—	4.00
879	—	—	—	—	—	4.00
880	—	—	—	—	—	4.00
881	—	—	—	—	—	4.00
882	—	—	—	—	—	4.00
883	—	—	—	—	—	4.00
884	—	—	—	—	—	3.00
885	—	—	—	—	—	3.00
886	—	—	—	—	—	3.00
887	—	—	—	—	—	3.00
888	—	—	—	—	—	3.00
889	—	—	—	—	—	3.00
890	—	—	—	—	—	3.00
891	—	—	—	—	—	3.00
892	—	—	—	—	—	3.00
893	—	—	—	—	—	3.00
894	—	—	—	—	—	3.00
895	—	—	—	—	—	2.00
896	—	—	—	—	—	2.00
897	—	—	—	—	—	2.00
898	—	—	—	—	—	2.00
899	—	—	—	—	—	2.00
900	—	—	—	—	—	2.00
901	—	—	—	—	—	2.00
902	—	—	—	—	—	2.00
903	—	—	—	—	—	2.00
904	—	—	—	—	—	2.00
905	—	—	—	—	—	2.00
906	—	—	—	—	—	2.00
907	—	—	—	—	—	1.00
908	—	—	—	—	—	1.00
909	—	—	—	—	—	1.00
910	—	—	—	—	—	1.00
911	—	—	—	—	—	1.00
912	—	—	—	—	—	1.00
913	—	—	—	—	—	1.00
914	—	—	—	—	—	1.00
915	—	—	—	—	—	1.00
916	—	—	—	—	—	1.00
917	—	—	—	—	—	1.00
918	—	—	—	—	—	1.00
919	—	—	—	—	—	—
920	—	—	—	—	—	—
921	—	—	—	—	—	—
922	—	—	—	—	—	—
923	—	—	—	—	—	—
924	—	—	—	—	—	—
925	—	—	—	—	—	—

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PUBLISHED BY

Australian Taxation Office
 Canberra
 May 2007
 JS 7888

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