



The way you treat and report back payments is changing

From 1 July 2025, the \$1,200 threshold for Lump Sum E will be removed.

Last updated 13 June 2025

Currently, if a back payment accrued more than 12 months ago and exceeds \$1,200, you need to report this as Lump Sum E in your Single touch payroll (STP) reporting.

From 1 July, the \$1,200 threshold will be removed. This is because the law around lump sum payments has changed.

It means that you should report all back payments which accrued more than 12 months ago as Lump Sum E in your STP reporting, regardless of the amount.

To work out how much to withhold on a back payment, you should continue to refer to the **tax table for back payments, commissions, bonuses and similar payments**. This tax table will be updated to reflect the change in June 2025.

Find out further details on **back payments** and where to report this information.

Remember, a registered tax practitioner can help you with your tax and super obligations.

Our commitment to you

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If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

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