



# Monthly tax table

This tax table applied to payments made from 13 October 2020 to 30 June 2024.

**Last updated** 13 October 2020

## Using this tax table

**This tax table applies to payments made from 13 October 2020.**

You should use this tax table if you make any of the following payments on a monthly basis:



- salary, wages, allowances and leave loading to employees
- paid parental leave
- directors' fees
- salary and allowances to office holders (including members of parliament, statutory office holders, defence force members and police officers)
- payments to labour-hire workers
- payments to religious practitioners
- government education or training payments
- compensation, sickness or accident payments that are calculated at a periodical rate and made because a person is unable to work (unless the payment is made under an insurance policy to the policy owner).

Also use this tax table for payments made to foreign residents.

Other tax tables may apply if you made payments to shearers, workers in the horticultural industry, performing artists and those engaged on a daily or casual basis.


If you employ individuals under a working holiday makers visa, you must use the **Tax table for working holiday makers** for all payments made to them, including lump sum payments.

**You can also:**

- use the [Withholding lookup tool \(XLSX 34KB\)](#)  to quickly work out the amount to withhold
- download a printable lookup table of [monthly tax table \(PDF 958KB\)](#) .

## Working out the withholding amount

To work out the withholding amount:


1. Calculate your employee's total monthly earnings – add any allowances and irregular payments that are to be included in this month's pay to the normal monthly earnings, ignoring any cents.
2. Input the amount from step 1 into the [Withholding lookup tool \(XLSX 34KB\)](#) , as per instructions in the tool.
3. Use the appropriate column to find the correct amount to withhold.  
If your employee is
  - claiming the tax-free threshold, use column 2
  - not claiming the tax-free threshold, use column 3.
4. If your employee has an entitlement to a tax offset, use the [Ready reckoner for tax offsets](#) to convert the employee's estimate of their full-year entitlement into a monthly offset value. Then subtract this value from the withholding amount found in step 3.
5. If your employee is entitled to make an adjustment for the Medicare levy, subtract the value of the adjustment, determined from the **Medicare levy adjustment monthly tax table** from the amount found in step 4.
6. If your employee has advised you of an accumulated Higher Education Loan Program (HELP), VET Student Loan (VSL), Financial Supplement (FS), Student Start-up Loan (SSL) or Trade Support Loan (TSL) debt, add the amount determined from the **Study and training support loans monthly tax table** to the amount you calculated in step 5.

Do not allow for any tax offsets or Medicare levy adjustment if any of the following apply:

- you use column 3
- you use foreign resident tax rates
- when your employee has not provided you with their TFN.

## Example

An employee has monthly earnings of \$3,783.

To work out the correct amount to withhold, ignore cents, input \$3,783 into the [Withholding lookup tool \(XLSX 33KB\)](#) .

If the employee is:

- claiming the tax-free threshold, use column 2 to find the correct amount to withhold (\$511).
- not claiming the tax-free threshold, use column 3 to find the correct amount to withhold (\$1,036).

## Using a formula

The withholding amounts shown in this tax table can be expressed in a mathematical form.

If you have developed your own payroll software package, refer to [Statement of formulas for calculating amounts to be withheld](#).

## Tax file number (TFN) declarations

The answers your employees provide on their **Tax file number declaration** determine the amount you need to withhold from their payments. A *Tax file number declaration* applies to any payments made after you receive the declaration. If you receive an updated declaration from an employee, it will override the previous one.

If an employee does not give you a valid *Tax file number declaration* within **14 days** of starting an employer/employee relationship, you must complete a *Tax file number declaration* with all available details of the employee and send it to us.

## When a TFN has not been provided

You must withhold 47% from any payment you make to a resident employee and 45% from a foreign resident employee (ignoring any cents), if all of the following apply:

- they have not quoted their TFN
- they have not claimed an exemption from quoting their TFN
- they have not advised you that they have applied for a TFN or have made an enquiry with us.

If an employee states at question 1 of the *Tax file number declaration* they have lodged a Tax file number – application or enquiry for individuals with us, they have **28 days** to provide you with their TFN.

If the employee has not given you their TFN within **28 days**, you must withhold 47% from any payment you make to a resident employee and 45% from a foreign resident employee (ignoring any cents) unless we tell you not to.

Do not allow for any tax offsets or Medicare levy adjustments. Do not withhold any amount for study and training support loans.

## When your employee has a study and training support loan debt

If your employee has a HELP, VSL, FS, SSL or TSL debt, you may need to withhold additional amounts from their payments. Your employee will need to notify you of this on their *Tax file number declaration* or *Withholding declaration*.

### Next step:

To calculate additional withholding amounts for:

- HELP, VSL, FS, SSL or TSL debts, refer to **Study and training support loans monthly tax table**.

## Allowances

Generally, allowances are added to normal earnings and the amount to withhold is calculated on the total amount of earnings and allowances.

For more information on when to withhold and report on allowances, refer to **Withholding for allowances**.

## **Holiday pay, long service and employment termination payments**

### **Employees who continue working for you**

You must include holiday pay (including any leave loading) and long service leave payments as part of normal earnings, except when they are paid on termination of employment.

For more information, refer to **Withholding from leave payments for continuing employees**.

### **Employees who stop working for you**

This tax table does not cover any lump sum payments made to an employee who stops working for you.

If an employee has unused annual leave, leave loading or long service leave, refer to **Tax table for unused leave payments on termination of employment**.

Any other lump sum payments may be employment termination payments, refer to **Tax table for employment termination payments**.

Do not withhold any amount for study and training support loans debts from lump sum termination payments.

## **Leave loading**

If you pay leave loading as a lump sum, you would need to use **Tax table for back payments, commissions, bonuses and similar payments** to calculate withholding.

If you pay leave loading on a pro-rata basis, then add the leave loading payment to earnings for the period to calculate withholding.

## **Withholding declarations**

An employee may use a **Withholding declaration** to advise you of a tax offset they choose to claim through reduced withholding from you.

Employees can also use a *Withholding declaration* to advise you of any changes to their situation that may affect the amount you need to withhold from their payments.

Changes that may affect the amount you need to withhold include:

- becoming or ceasing to be an Australian resident for tax purposes
- claiming or discontinuing a claim for the tax-free threshold
- advising of a HELP, VSL, FS, SSL or TSL debt, or changes to them
- entitlement to a seniors and pensioners tax offset.

When your employee provides you with a *Withholding declaration* it will take effect from the next payment you make. If you receive an updated declaration from an employee, it will replace the previous one.

An employee must have provided you with a valid *Tax file number declaration* before they can provide you with a *Withholding declaration*.

## Claiming tax offsets

If your employee chooses to claim their entitlement to a tax offset through reduced withholding, they must provide you with a *Withholding declaration*.

To work out the employee's annual tax offset entitlement into a monthly value, use the [Ready reckoner for tax offsets](#). Deduct the monthly amount from the amount shown in column 2 of the [Withholding lookup tool \(XLSX 34KB\)](#) [↓](#).

Do not allow for any tax offsets if any of the following apply:

- you are using column 3
- you are using [foreign resident tax rates](#)
- when an employee does not provide you with their TFN.

### Example

An employee has monthly earnings of \$3,783 and, if using column 2, the amount to be withheld is \$511.

The employee claims a tax offset entitlement of \$1,000 on their *Withholding declaration*.

Using the [Ready reckoner for tax offsets](#), the monthly value is \$83.

The total amount to be withheld is worked out as follows:

- Amount to be withheld on \$3,783 = \$511.00
- less monthly offset value –\$83.00

**Total amount to be withheld = \$428.00**

## Ready reckoner for tax offsets

### Tax offset entitlement – monthly value

Amount claimed \$	Monthly value \$
1	–
2	–
3	–
4	–
5	–
6	–
7	1
8	1
9	1
10	1
20	2
30	2

40	3
50	4
57	5
60	5
70	6
80	7
90	7
100	8
200	17
300	25
338	28
400	33
500	42
600	50
700	58
800	66
850	71
900	75
1,000	83
1,100	91
1,173	97



1,200	100
1,300	108
1,400	116
1,500	125
1,600	133
1,700	141
1,750	145
1,800	149
1,900	158
2,000	166
2,500	208
2,535	210
3,000	249

If the exact tax offset amount claimed is not shown in the ready reckoner, add the values for an appropriate combination.

### Example

Tax offsets of \$422 claimed. For a monthly value add values of \$400, \$20 and \$2.

= \$33 + \$2 + \$0

= \$35

Therefore, reduce the amount to be withheld from monthly payments by \$35.

## Medicare levy adjustment

To claim the Medicare levy adjustment (available in certain situations), your employee must lodge a **Medicare levy variation declaration** with their *Tax file number declaration*.

Some employees may be liable for an increased rate of the Medicare levy surcharge as a result of the income for surcharge purposes tests. They can lodge a *Medicare levy variation declaration*, requesting you to increase the amount to be withheld from their payments.

### Next step:

- For instructions on how to work out the Medicare levy adjustment refer to **Medicare levy adjustment monthly tax table**.

## When your employee is a foreign resident

If your employee has answered **no** to the question 'Are you an Australian resident for tax purposes?' on their *Tax file number declaration*, you will need to use the foreign resident tax rates.

There are two ways you can withhold from a foreign resident's earnings:

- If they have **not** given you a valid TFN, you need to withhold 45% for each \$1 of earnings (ignoring any cents).
- If they have given you a valid TFN, you need to withhold the amount calculated using the foreign resident tax rates below, rounding any cents to the nearest dollar.

## Foreign resident tax rates

### Monthly tax rates

Monthly earnings \$	Monthly rate
0 to 9,996	32.5 cents for each dollar of earnings
9,997 to 14,997	\$3,249 plus 37 cents for each \$1 of earnings over \$9,996

14,998 and over	\$5,099 plus 45 cents for each \$1 of earnings over \$14,997
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Foreign residents cannot claim tax offsets to reduce withholding. If your foreign resident employee has claimed a tax offset on the *Withholding declaration*, don't make any adjustments to the amount you withhold.

## PAYG withholding publications

You can access all PAYG withholding tax tables and other PAYG withholding publications at:

- Tax tables
- PAYG withholding.

QC 63812

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