



Schedule 9 – Tax table for seniors and pensioners

For payments made from 13 October 2020 to 30 June 2024.

Last updated 13 October 2020

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

Using this schedule

For payments made from 13 October 2020.

You should use this schedule if you make payments to:

- seniors and pensioners who, at the end of the relevant financial year, are 66 years of age or older (for example, to be eligible for the year ending 30 June 2021, a payee must be born on or before 30 June 1955)
- veterans receiving a service pension and/or war widows/widowers receiving an income support supplement from the Department of Veterans' Affairs who are at least 60 years of age.



This schedule applies to weekly payments including:

- salary, wages, allowances and leave loading paid to employees
- director's fees
- payments to labour-hire workers
- 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)
- a non-super income stream
- a super income stream.

This schedule can only apply if the payee has provided you with either:

- a **Withholding declaration** indicating that they are an Australian resident for tax purposes at question 4 and answered **yes** to questions 5 and 8
- a **Withholding declaration – short version for seniors and pensioners** indicating that they are an Australian resident for tax purposes at question 4 and answered **yes** to questions 5 and 6.


You can also:

- use the [Withholding lookup tool \(XLSX 34KB\)](#)  to quickly work out the amount to withhold
- download a printable version of [Tax table for seniors and pensioners \(PDF 1.0MB\)](#)  (NAT 4466).


For super income stream payments, you must also use **Tax table for superannuation income streams** to calculate withholding.

Working out the withholding amount

To work out the withholding amount:

1. Calculate your payee's total weekly earnings, add any allowances and irregular payments that will be included in this week's pay to the normal weekly 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 payee is:
 - single, use column 2
 - a member of an illness-separated couple, use column 3
 - a member of a couple, use column 4.
4. If your payee is entitled to a tax offset or a Medicare levy adjustment, subtract its weekly value from the withholding amount found in step 3.

Example

A payee has weekly earnings of \$619.75. To work out the correct amount to withhold, ignore cents and input \$619 into the [Withholding lookup tool \(XLSX 34KB\)](#) .

If the payee is:

- single, use column 2 to find the correct amount to withhold (\$7.00)
- a member of an illness-separated couple, use column 3 to find the correct amount to withhold (\$10.00)
- a member of a couple, use column 4 to find the correct amount to withhold (\$23.00).

Calculating fortnightly or monthly withholding amounts

First calculate the weekly equivalent of fortnightly or monthly earnings. If you pay:

- **fortnightly** – divide the sum of the fortnightly earnings and the amount of any allowances subject to withholding by two. Ignore any cents in the result and then add 99 cents.
- **monthly** – obtain the sum of the monthly earnings and the amount of any allowances subject to withholding (if the result is an amount ending in 33 cents, add one cent). Multiply this amount by three and then divide by 13. Ignore any cents in the result and then add 99 cents.

Then calculate fortnightly or monthly withholding amounts as follows:

- **fortnightly** – work out the rounded weekly withholding amount applicable to the weekly equivalent of earnings, before any adjustment for tax offsets. Multiply this amount by two.
- **monthly** – work out the rounded weekly withholding amount applicable to the weekly equivalent of earnings, before any adjustment for tax offsets. Multiply this amount by 13, divide the product by three and round the result to the nearest dollar.

Using a formula

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

You should read this section with **Statement of formulas for calculating amounts to be withheld**.

If you have developed your own payroll or accounting software package, you can use the following formulas and the coefficients outlined below.

The formulas comprise linear equations of the form $y = ax - b$, where:

- **y** is the withholding amount expressed in dollars
- **x** is the weekly earnings rounded down to whole dollars plus 99 cents

- **a** and **b** are the values of the coefficients for the formulas shown in the relevant [Values of the coefficients a and b for each set of formulas](#) tables.

Values of the coefficients a and b for each set of formulas

Payee is single

Weekly earnings (x) less than	a	b
\$585	0.0000	0.0000
\$646	0.1900	111.2308
\$693	0.3150	192.0529
\$721	0.4150	261.3913
\$865	0.4240	267.8817
\$989	0.4727	309.9183
\$1,282	0.3477	186.2115
\$2,307	0.3450	182.7504
\$3,461	0.3900	286.5965
\$3,461 & over	0.4700	563.5196

Payee is a member of an illness-separated couple

Weekly earnings (x) less than	a	b
\$566	0.0000	0.0000
\$627	0.1900	107.5769
\$693	0.3150	185.9952

\$721	0.4150	255.3337
\$865	0.4240	261.8240
\$941	0.4727	303.8606
\$1,282	0.3477	186.2115
\$2,307	0.3450	182.7504
\$3,461	0.3900	286.5965
\$3,461 & over	0.4700	563.5196

Payee is a member of a couple

Weekly earnings (x) less than	a	b
\$521	0.0000	0.0000
\$583	0.1900	99.1538
\$693	0.3150	172.0288
\$721	0.4150	241.3673
\$829	0.4240	247.8577
\$865	0.2990	144.1750
\$1,282	0.3477	186.2115
\$2,307	0.3450	182.7504
\$3,461	0.3900	286.5965
\$3,461 & over	0.4700	563.5196

Medicare levy parameters


Weekly earnings threshold	693
Weekly earnings shade-in threshold	866
Medicare levy family threshold	50,191
Weekly family threshold divisor	52
Additional child	3,533
Shading out point multiplier	0.1000
Shading out point divisor	0.0800
Weekly levy adjustment factor	693.3800
Medicare levy	0.0200

Rounding of withholding amounts

Withholding amounts calculated as a result of applying the formulas are rounded to the nearest dollar. Results ending in 50 cents are rounded to the next higher dollar.

If no TFN is provided, ignore cents when you calculate withholding amounts.

Software

Payroll or accounting software written in accordance with the formulas in this schedule should be tested for accuracy against the withholding amounts obtained using the [Withholding lookup tool \(XLSX 34KB\)](#) . You should only use such software if it produces the exact amounts.

Tax file number (TFN) declarations

The answers your payees 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 a payee, it will override the previous one.

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

When a TFN has not been provided

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

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

When your payee has a study and training support loan debt

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

Work it out

To calculate additional withholding amounts for:

- HELP, VSL, FS, SSL or TSL debts – refer to **Study and training support loans weekly 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](#).

Leave loading

If you pay leave loading as a lump sum, you 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, add the leave loading payment to the earnings for that period to calculate withholding.

Withholding declarations

A payee can use the [Withholding declaration](#) to advise you of a tax offset they choose to claim through reduced withholding. For more information on tax offsets, refer to [Claiming tax offsets](#).

Payees can also use a *Withholding declaration* to advise you of changes to their situation that may vary the amount you need to withhold.

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

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

Claiming tax offsets

The seniors and pensioners tax offset (SAPTO) is incorporated into this schedule. If your payee chooses to claim their entitlement to other tax offsets through reduced withholding, they must give you a *Withholding declaration*.

To work out your payee's annual tax offset entitlement into a weekly value, use the Ready reckoner for tax offsets. Deduct this amount from the amount shown in column 2, 3 or 4 of the [Withholding lookup tool \(XLS 34KB\)](#) [↗](#).

Ready reckoner for tax offsets

Tax offset entitlement – weekly value

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

40	1
50	1
57	1
60	1
70	1
80	2
90	2
100	2
200	4
300	6
338	6
400	8
500	10
600	11
700	13
800	15
850	16
900	17
1,000	19
1,100	21
1,173	22

1,200	23
1,300	25
1,400	27
1,500	29
1,600	30
1,700	32
1,750	33
1,800	34
1,900	36
2,000	38
2,500	48
2,535	48
3,000	57

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. Add values of \$400, \$20 and \$2

= \$8 + \$0 + \$0

= \$8.

Therefore, reduce the amount to be withheld by \$8.

Medicare levy adjustments

To claim the Medicare levy adjustment (available to some low income earners with dependants), a payee must lodge a **Medicare levy variation declaration** with their *Tax file number declaration*.

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

PAYG withholding publications

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

- Tax tables
- PAYG withholding.

QC 63805

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