



## Schedule 15 – Tax table for working holiday makers

This schedule applied to payments from 1 July 2022 to 30 June 2024.

**Last updated** 24 June 2022

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 section 12-35 of Schedule 1 to the TAA.

### Using this schedule

**This schedule applies to payments from 1 July 2022.**

This schedule applies to payments to individuals – including backpackers – who are working in Australia and hold at the time of the payment either a:

1. working holiday makers visa (subclass 417)
2. work and holiday makers visa (subclass 462)
3. bridging visa permitting the individual to work in Australia if
  - a. the bridging visa was granted under the *Migration Act 1958* in relation to an application for a visa of a kind described in paragraph (a) or (b), and
  - b. the Minister administering that Act is still to make a decision in relation to the application, and
  - c. the most recent visa, other than a bridging visa, granted under that Act to the individual was a visa of a kind described in paragraph (a) or (b)

4. COVID-19 pandemic event 408 visa, as defined by subclause 9204(1) of Schedule 13 to the *Migration Regulations 1994*.

This schedule applies to all payments made to working holiday makers, including:

- salary and wages
- allowances
- termination payments (taxable component only)
- unused leave
- return to work payments
- back payments, commissions, bonuses and similar payments
- payments to actors and entertainers.


If you employ individuals under the **Seasonal Worker Programme and Pacific Labour Scheme**, or **Pacific Australia Labour Mobility scheme**, the tax table for working holiday makers does not apply.

If you made an employment termination payment to a working holiday maker, withholding does not apply to the tax-free component.

Generally, allowances are added to normal earnings and the amount to withhold using this schedule is calculated on the total amount of earnings and allowances. The withholding treatment and reporting requirements for various allowance types outlined in **Withholding for allowances** also applies to working holiday makers.

## Working out the withholding amount

To work out the amount you need to withhold, you must:

- input the total payments you will make to your employee for the pay period into the [Working holiday makers withholding lookup tool \(XLSX 23KB\)](#) 
- use the appropriate column to find the correct amount to withhold
  - **column 2** if you are registered and total payments you have made to the employee for the income year prior to this payment are less than \$45,001 and the employee has given you a tax file number (TFN)

- **column 3** if you are registered and total payments you have made to the employee for the income year prior to this payment are from \$45,001 to \$120,000 and the employee has given you a TFN
- **column 4** if you are registered and total payments you have made to the employee for the income year prior to this payment are from \$120,001 to \$180,000 and the employee has given you a TFN
- **column 5** if you are registered and total payments you have made to the employee for the income year prior to this payment are more than \$180,000 and the employee has given you a TFN
- **column 6** if you are registered and the employee has **not** given you a TFN.

### Example – using the withholding lookup tool

A foreign resident employee is working in Australia under a working holiday makers visa (subclass 417) and has earnings for the week of \$680.70. They have provided their TFN on a *Tax file number declaration*. The total payments you have made to them do not exceed \$45,000 for the 2022–23 income year.

To work out the correct amount to withhold, input \$680 into column 1 in the Working holidaymakers withholding lookup tool.

The tool will automatically calculate the withholding result of \$102 in column 2. This is the amount you withhold, as a registered employer, where the employee has given you a TFN.

## Registered employer

You need to **register with us** before you employ a working holiday maker. If you are registered, you will be able to withhold at a flat rate of 15% up to \$45,000 in total payments made to each individual working holiday maker within an income year.

Where total payments exceed \$45,000, see [Table A](#) below for the applicable withholding rate.

## Unregistered employer

If you have not registered with us to withhold at working holiday maker tax rates, you are required to withhold at foreign resident rates. These are specified in the **tax tables** for weekly, fortnightly or monthly payments.

## Using a formula

If you have developed your own payroll or accounting software package, use the formulas and coefficients outlined below to calculate the withholding amount.

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

- **y** is the amount to be withheld expressed in dollars
- **x** is total payment made to the employee for the pay period, ignoring any cents
- **a** is the value of the coefficient as shown in Table A.

## Table A: Working holiday makers income tax rates

The following tax rates for 2022–23 apply for working holiday makers holding a subclass 417 or 462 visa, or a COVID-19 pandemic event 408 visa from 1 July 2022.

**Table A: Working holiday makers income tax rates for 2022–23**

Taxable income	Tax rate	Value (a)
<b>\$0 – \$45,000</b>	15% on each \$1 up to \$45,000	0.15
<b>\$45,001 – \$120,000</b>	32.5% on each \$1 over \$45,000 to \$120,000	0.325
<b>\$120,001 – \$180,000</b>	37% on each \$1 over \$120,000 to \$180,000	0.37
<b>\$180,001 and over</b>	45% on each \$1 over \$180,000	0.45

If no TFN is provided you must withhold at 45% on total payments made. If using formulas, the value of '**a**' is 0.45.

### Example 1: using the formula

A foreign resident employee is working in Australia under a work and holiday makers visa (subclass 462) and has earnings for the month of \$2,825.75.

They have provided their TFN on a *Tax file number declaration*, and total payments you have made to them for the income year do not exceed \$45,000.

**x** = 2,825 (ignoring cents)

Withholding amount (**y**)

= (**a** × **x**)

= 0.15 × 2825

= 423.75 or \$424.00 (rounded to nearest dollar).

### Example 2: when payments exceed \$45,000

A foreign resident employee is working in Australia under a working holiday makers visa (subclass 417). They have earnings for the month of May 2023 of \$3,570.20.

They have provided their TFN on a *Tax file number declaration* and the total payments you have made to them from January 2023 to April 2023, in the 2022–23 income year, is \$47,000. Last month's payment resulted in total payments exceeding \$45,000. Therefore, from the next pay you must withhold at the foreign resident tax rates specified in [Table A](#).

Withholding is calculated at 32.5 cents for every dollar of earnings over \$45,000 (to \$120,000).

Current pay = \$3,570.20

The value of '**a**' in the formula is 0.325.

Withholding = 0.325 × 3,570

= 1,160.25 or \$1,160.00 (rounded to the nearest dollar).

**Note:** Working holiday makers cannot claim Medicare levy adjustments or tax offsets to reduce withholding. If your working holiday maker has claimed a Medicare levy adjustment on a *Medicare levy variation declaration* or a tax offset on a *Withholding declaration*, don't make any adjustments to the amount you withhold.

Any working holiday maker who is an Australian resident for tax purposes will be able to claim Medicare levy adjustments and tax offsets that they are entitled to when they lodge their income tax return.

## Rounding of withholding amounts

The withholding amounts calculated as a result of applying the above rates and formula are rounded to the nearest dollar. Values ending in 50 cents and higher are rounded to the next higher dollar. Do this rounding directly – that is, do not make a preliminary rounding to the nearest cent.

Where withholding is calculated on the top marginal rate of tax or when no TFN is provided, ignore cents in the withholding result.

## Software

Payroll or accounting software written in accordance with the formulas in this schedule should be tested for accuracy against the [Working holiday makers withholding lookup tool \(XLSX 23KB\)](#) [↗](#). The results obtained when using the coefficients in this schedule may differ slightly from the tool. The differences result from the rounding of components. Withholding calculated using either method is accepted.

## TFN declarations

Your employee may indicate that they are a working holiday maker in their TFN declaration.

Even if they don't, you will need to withhold amounts using the rates shown in [Table A](#) (provided they have given you a valid TFN).

This applies to either:

1. working holiday makers visa (subclass 417)
2. work and holiday makers visa (subclass 462)
3. bridging visa permitting the individual to work in Australia if
  - d. the bridging visa was granted under the *Migration Act 1958* in relation to an application for a visa of a kind described in paragraph (a) or (b), and
  - e. the Minister administering that Act is still to make a decision in relation to the application, and
  - f. the most recent visa, other than a bridging visa, granted under that Act to the individual was a visa of a kind described in paragraph (a) or (b)

To confirm the visa status of a working holiday maker, go to the Department of Immigration and Border Protection's [Visa Entitlement Verification Online \(VEVO\)](#) [↗](#) webpage. This is where you can check visa details and conditions.

Working holiday makers cannot claim tax offsets. If they have claimed a tax offset on the *Tax file number declaration*, do not adjust the amount you withhold.

Working holiday makers cannot have a Higher Education Loan Program (HELP), VET Student Loan (VSL), Financial Supplement (FS), Student Start-up Loan (SSL) or Trade Support Loan (TSL) debt.

Working holiday makers cannot receive Community Development Employment Projects (CDEP) payments or Lump sum A, B or D payments.

## **If a TFN has not been provided**

You must withhold 45% from payments to a working holiday maker (ignoring cents), if:

- 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* that 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 45% from any payment you make unless we tell you not to.

A working holiday maker who has not quoted a TFN must still be provided with an income statement (or payment summary) with a payment type code 'H'.

## **PAYG withholding publications**

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

- Tax tables
- PAYG withholding.

QC 69650

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