



PAYG withholding variation application for allowances or study and training support loans

How to complete PAYG withholding variation application to vary the amount of PAYG tax withheld from allowances or loans.

Last updated 20 October 2025

Applying for a PAYG withholding variation

Complete this application to vary or reduce the amount of pay as you go (PAYG) tax withheld in the application year from:

- allowances
- an overpayment or approved deferral for study and training support loans.

The main purpose of varying or reducing the amount of withholding is to make sure that the amount withheld during the income year best meets your end-of-year tax liability. For example, you may want to apply for a variation if the normal rate of withholding leads to a large credit at the end of the income year because your tax-deductible expenses are higher than normal.

You can lodge your application during the year. The last date for lodgment is **30 April** of the application year.

This application is valid for one financial year. If you apply in May or June, the variation will apply to the next financial year starting from 1 July.

When not to use this application

Don't complete this application if you want to:

- claim a study and training support loan (STSL) overpayment in May or June for the current financial year, as the last date of lodgment is 30 April
 - you will need to lodge your tax return and claim a credit for any over withheld amounts
- cease additional amounts withheld from your payer for your STSL, for example, if you have fully repaid your STSL debt
 - you will need to advise your employer you no longer need extra amounts withheld by completing a **Withholding declaration**.

For more information on STSL, see **Study and training support loans**.

Processing times

The processing time for an application depends on how you lodge your application. If you lodge:

- online – we aim to process within 28 days
- by paper – we aim to process within 56 days.

We may take longer if we need further information from you.

How to lodge

To lodge online for **individuals**, sign in to **myGov** and select:


- **ATO**
- **Tax**
- **Manage**
- **PAYG withholding variation.**

To lodge online for **tax agents**, log in to **Online services for tax agents** and select:

- **Lodgments**
- **Client forms**

- **PAYG withholding variation.**

If you can't lodge online, you will need to order a paper application by either:

- visiting [online ordering](#)  and searching for NAT 5425
- phoning our automated self-help ordering service on **13 28 65** and asking for NAT 5425.

Important information

We will process your application only if you:

- have lodged all required tax returns and activity statements, or notified us in writing if you were not required to lodge tax returns in prior years
- didn't receive a debit assessment on your last tax assessment if you also had an approved withholding variation for that year
- don't have any outstanding tax debt owing to the Australian Government
- don't have any outstanding debts under any other Acts administered by us.

Further information you may need to provide

We may seek more information from you before or after your application is processed. If you fail to provide this or there is some doubt of entitlement to a deduction, we may not be able to grant a variation.

We may request the following information or supporting documents from you:

- employment details including employment contracts
- receipts and invoices to support your work-related expenses
- a copy of your logbook for car expenses
- an explanation on how your work-related expenses relate to your employment
- any other evidence that supports the amount of expense you're claiming.

We process your application based on the information you provide. It is your responsibility to make sure this information is adequate to allow us to calculate a withholding rate to meet your end-of-year tax liability.

For more information on record keeping, see [Records you need to keep](#).

If you're granted a variation, this doesn't mean we have accepted the tax treatment of the income and deductions on your application. Your actual tax liability will be determined after you lodge your tax return.

Starting and finishing dates

If your application is approved, the varied or reduced amount of withholding will start from the next available pay day after your pay office receives the notice of withholding variation from us.

Your variation finishes on the date shown on the letter you receive from us. To continue to have varied or reduced tax withheld from payments after this date, you must lodge another variation application.

Applications can be lodged for the next financial year from 1 May before the new financial year starts.

Multi-year variations

Variations for allowances may be issued for more than one year. The date on the letter we send after your application is processed will show if the variation has been issued for more than one year. See further information on when you can [vary your PAYG withholding](#).

You can also phone us on **1300 360 221**. If you are a tax agent, phone **13 72 86**, Fast Key Code **1 2 3** between 8:00 am and 6:00 pm Monday to Friday.

Common errors to avoid when completing your application

Before you complete your PAYG withholding variation application, check with your payer that they have your correct tax file number (TFN).

Avoid these common errors when completing your application:

- Payer details
 - Including spaces in your payer’s Australian business number (ABN) – you must enter the ABN without spaces when completing the online form
 - Providing the incorrect postal address for your payers pay office
 - the payroll address may not be the same location you work in. If you provide the incorrect address, it may delay the implementation of your new rate.
- For allowances
 - Not entering the correct **Total annual allowance** received from your payer
 - Incorrectly calculating the **Annual percentage expended** – the percentage expended has to equal the amount claimed as an expense
 - Applying to vary allowance payments that are not tax-deductible
 - for more information on when to include allowance payments as income and claiming a deduction, see **Employment allowances**.

Instructions for your variation application

The following instructions will help you complete your variation application.

Section A: Your details

A1 Tax file number (TFN)

If you choose not to provide your TFN, your application may be delayed.

Check you’ve provided a valid TFN to your payer before you complete the application.

A7 Authorised contact person

By completing this item you are authorising us to deal with this person as the first point of contact.

A8 Overpayment amounts – Study and training support loans

Include excess amounts withheld for your study and training support loans.

Attach a payslip or letter from your payer confirming the overpayment amount if lodging by paper.

Complete this item if any of the following apply to you:

- You have made a voluntary or compulsory repayment during the financial year which has reduced your HELP, AASL, SSL, VSL or financial supplement debt to nil, but your payer has continued to withhold amounts for these debts
 - when completing A11, use reason code 02A0. You will also need to complete a new **Withholding declaration** (NAT 3093) and lodge it with your payer to stop them withholding amounts for HELP, AASL, SSL, VSL or financial supplement.
- Your payer has continued to withhold amounts for HELP, AASL, SSL, VSL or financial supplement after an adequate amount has been withheld to meet your anticipated compulsory repayment for the year
 - when completing A11, use reason code 02A1.
- You have received approval from us to defer your compulsory HELP, AASL, SSL, VSL or financial supplement repayment for this financial year
 - when completing A11 and a refund is required, use reason code 02B1. When completing A11 and no refund is required, use reason code 02B0.

A9 Australian resident for tax purposes

Select your correct residency status. If you are unsure of your residency status or if you need more information:

- refer to **Work out your tax residency**
- phone us on **13 28 61**.

A11 Reason codes

It is important to use the correct reason code for your circumstances.

Reason codes for allowances

Reason code	Sub-category
00A0	Car and phone
00B0	Car
00C0	Travel
00E0	Phone
00F0	Computer
00G0	Parking
00H0	Car and travel
00I0	Car and parking

Reason codes for study and training support loans

Reason code	Sub-category
02A0	Overpayment – debt repaid – overpayment refund required
02A1	Overpayment – enough withholding amounts deducted already to cover repayment
02B0	Deferral – no overpayment
02B1	Deferral – overpayment refund required

Section B: Payer details

B1 Australian business number (ABN)

The implementation of your variation may be delayed if you don't provide a correct ABN.

B2 Payer name

Provide your payer's business name.

B3 Pay office postal address

Provide your payer's pay office postal address. This address may not be the same location you work in.

B4 Pay office direct phone number

Provide your pay office phone number.

B5 Payroll ID or payee ID

Provide your payroll ID or payee ID. Your payer uses this information for identity purposes.

B6 Allowances

If you receive an allowance for a tax-deductible purpose (for example, travel or car expenses) you can apply to vary or reduce the amount withheld from your allowance. To do this, complete B1 to B7.

B6(a) Allowance type

Select the type of allowance you receive.

B6(b) Total annual allowance

Provide the amount of annual allowance you receive.


B6(c) Annual percentage expended

To calculate the annual percentage expended, use the following formula:

- Total of work-related expenses B7(a) to B7(c) divided by total annual allowance B6(b) multiplied by 100.

Example: calculating annual percentage expended

If your work-related expenses total \$8,000 and your annual allowance is \$10,000, you would calculate the annual percentage expended as follows:

 \$8,000 divided by \$10,000, multiplied by 100 equals 80%.

B7 Work-related expenses

Provide the annual amount of **work-related expenses** you expect to incur.

QC 34406

Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

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.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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