PAYG payment summary – employment termination payment

How to obtain publications for PAYG employment termination payments (NAT 70868).

Last updated 13 November 2024

Use the *PAYG payment summary – employment termination payment* form (NAT 70868) if you make an employment termination payment (ETP) to:

- an employee whose employment has been terminated

- a non-dependant because of an employee's death

- a dependant because of an employee's death if the taxable component of the payment exceeds the ETP cap

- a trustee of a deceased employee's estate.

If more than one type of ETP is made, you will need to complete a separate payment summary for each payment.

If the ETP is for a payment made prior to 1 July 2012, you must use the **PAYG payment summary – employment termination payment (NAT 70868)** form.

You will also need to refer to the earlier **How to complete the PAYG payment summary – employment termination payment (NAT 70996) (PDF 111KB)** instructions.

Do **not** use the *PAYG payment summary – employment termination payment* form for amounts you have withheld from payments of unused annual leave and long service leave.

You don't have to give your employee a *PAYG payment summary – employment termination payment* if you reported and finalised the amounts through Single Touch Payroll.

See also

- Tax table for employment termination payments
- [Employment termination payment (ETP) codes](#)
- Finalising your STP data

How to obtain this form

To obtain a printed copy of the form, you can either:

- download the form and print in A4 size – [PAYG payment summary – employment termination payment (NAT 70868) (PDF 233KB)](#) ⬇
- use our automated self-help publications **ordering service** at any time. You need to know the full title of the publication to use this service
- phone our Publications Distribution Service on **1300 720 092** between 8:00 am and 6:00 pm Monday to Friday. Before you phone, check whether there are other publications you may need – this will save you time and help us. You need the full title for each publication you order.

How to complete the form

To complete the *PAYG payment summary – employment termination payment* form (NAT 70868) you must:

- write each letter in a separate box

- use a black pen

- use BLOCK LETTERS.

You do not have to complete every field. For example, where an amount has not been paid or withheld, leave those boxes blank.

Show all amounts in whole dollars – do not show cents. For example, show an amount of $122.76 as $122.

When you send the payment summary to us as part of your pay as you go PAYG withholding payment summary annual report, send the ATO original. **We cannot accept photocopies or duplicates**.

Payment summary for year ending 30 June

You must show the year as a four-digit figure. For example, show the year ending 30 June 2019 as 2019 and not 19.

Section A: Payee details

If the payment is due to the death of an employee, the payee is one of the following:

- trustee for the deceased employee's estate

- non-dependant of the deceased employee

- dependant of the deceased employee.

If you are the trustee for the deceased employee's estate, include your details at payee's surname or family name.

- [Tax file number](#)

- [Name](#)

- [Residential address](#)

- [Date of birth](#)

Tax file number

You must show the tax file number (TFN) the payee quoted in this field. For example, show a nine-character TFN as:

Example of the completed 'Tax file number' field on the PAYG payment summary - employment termination payment form. Each number in written in the individual box.

To help us process this form, you must substitute the TFN with one of the numbers listed below if:

- a new payee has not made a TFN declaration, but 28 days have not passed – use 111 111 111

- the payee is under 18 years and earnings do not exceed $350 per week, $700 per fortnight or $1,517 per month – use 333 333 333

- the payee is an Australian Government pensioner – use 444 444 444

- the payee chose not to quote a TFN and has not claimed an exemption from quoting a TFN or does not fit into any of the above categories – use 000 000 000.

Name

Separate the surname or family name from the given name (or names) and print in the boxes. For example, show Jane Mary Covers as:

Example of the completed 'Name' field on the PAYG payment summary - employment termination payment form. Fill in the surname or family name in the boxes on the top line, and the given name or names in the boxes on the next line.

Residential address

This is the address for the recipient of the payment. You must show the street number and name, suburb/town/locality, state or territory and postcode separately in the boxes provided.

For example, show the address 2 Bell St, Ablem WA 6999 as:

Example of the completed 'Residential address' fields on the PAYG payment summary - employment termination payment form. Fill details in the individuals boxes for each field.

Date of birth

Provide this information if you have it. Leave blank if the payment is a death benefit termination payment.

Use the format DDMMYYYY, for example:

Example of the completed 'Date of birth' field on the PAYG payment summary - employment termination payment form. Complete the boxes for day, month and year.

Section B: Payment details

- [Date of payment](#)

- [Total tax withheld](#)

- [Taxable component](#)

- [Tax-free component](#)

- [Employment termination payment (ETP) codes](#)

Date of payment

Show the date you made the payment to the payee.

Use the format DDMMYYYY.

For example, show the payment date of 25 September 2013 as:

Example of the completed 'Date of payment' field on the PAYG payment summary - employment termination payment form. Fill the date in the boxes for day, month and year.

Total tax withheld

Show the total tax withheld in whole dollars.

For example, show $12,672.70 as:

Example of the completed 'Total tax withheld' field on the PAYG payment summary - employment termination payment form. Fill in the amount in the boxes without the decimal point.

Taxable component

Include the total of the payment, less the tax-free component. Show the taxable component in whole dollars.

For example, show a taxable component of $34,221.89 as:

Example of the completed 'Taxable component' field on the PAYG payment summary - employment termination payment form. Fill the amount in the boxes without the decimal point.

For death benefit ETP's paid to a dependant of the deceased, only include the amount over the ETP cap in the taxable component. The ETP cap is $180,000 for the 2014–15 income year.

For example, show the taxable component of a death benefit employment termination payment of $210,000 paid to a dependant as:

Example of the completed 'Taxable component' field on the PAYG payment summary - employment termination payment form. Fill the amount in the boxes without the decimal point.

$30,000 is the amount over the ETP cap of $180,000.

Tax-free component

You do not have to complete this field.

The tax-free component consists of the:

- pre-July 1983 segment

- invalidity segment.

Show the tax-free component in whole dollars. For example, show a tax-free component of $6,594.55 as:

Example of the completed 'Tax-free component' field on the PAYG payment summary - employment termination payment form. Fill the amount in the boxes without the decimal point.

See also:

- Schedule 11 – Tax table for employment termination payments

Employment termination payment (ETP) codes

Read through all the information below before selecting the code that best describes the type of employment termination payment being made.

If more than one code applies to the payment, you will need to complete a separate payment summary for each code.

Is this payment a life benefit ETP?

A life benefit ETP is a lump sum payment made to a living employee in consequence of their employment being terminated. Where no payment had been made to your employee in a previous income year for the same termination, then complete either code **R** or code **O**, whichever code best describes the payment being made.

Table of codes for Life benefit ETP. Code R = ETP made because of one of the following: 1. early retirement scheme, 2. genuine redundancy, 3.invalidity, 4. compensation for personal injury, unfair dismissal, harassment or discrimination. Code O = Other ETP not described by R, for example, golden handshake, gratuity payment in lieu of notice, payment for unused sick leave, payment for unused rostered days off.

Is this payment part of a payment made in an earlier income year for the same termination?

If the life benefit ETP is related to a payment made in an earlier income year for the same termination of employment, then complete either code **S** or code **P**, whichever code best describes the payment being made.

Table of codes for multiple payments for same termination codes. Code S = This is a code R payment and you made one of the following payments to your employee in a previous income year for the same termination: a code R payment; a code O payment; a transitional termination payment. Code P = This is a code O payment any you made one of the following payments to your employee in a previous income year for the same termination: a code R payment; a code O payment; a tranistional termination payment.

> **Example**
>
> Joe's employment was terminated on 30 April 2018. He is entitled to a $200,000 ETP, made under an early retirement scheme.
>
> On 1 May 2018 (2017–18 income year) Joe's former employer pays $150,000 of his entitlement. On 31 July 2018 (2018–19 income year) Joe receives the remaining $50,000 of his entitlement.
>
> Joe's former employer completes the *PAYG payment summary employment termination payment* (from 1 July 2014) (NAT 70868)

Is this payment a death benefit ETP?

If you are paying the ETP to a person because of another person's death, select either codes **D**, **B**, **N** or **T**, whichever code best describes the payment being made.

Table of codes for Death benefit ETP. Code D = Death benefit ETP paid to a dependant of the deceased. Code B = Death benefit ETP paid to a non-dependant of the deceased and you made a termination payment to the non-dependant in a previous income year for the same termination. Code N = Death benefit ETP paid to a non-dependant of the deceased. Code T = Death benefit ETP paid to a trustee of the deceased estate.

Type of death benefit

A death benefit's dependant (code **D**) is any of the following:

- the deceased person's spouse or de facto spouse

- the deceased person's former spouse or former de facto spouse

- the deceased person's child who is less than 18 years old

- any other person who was a dependant of the deceased just before they died

- any other person the deceased had an interdependency relationship with just before they died.

Spouse of the deceased includes all of the following:

- another person (of any sex) with whom the deceased was in a relationship that was registered under a law of a prescribed state or territory

- another person (of any sex) who lived with the deceased on a genuine domestic basis in a relationship as a couple.

Child of the deceased includes all of the following:

- an adopted child, stepchild or ex-nuptial child of the deceased

- a child of the deceased's spouse

- someone who is a child of the deceased within the meaning of the *Family Law Act 1975* (for example, a child who is considered to be a child of a person under a state or territory court order giving effect to a surrogacy agreement).

A death benefits non-dependant is any person who does not fall into one of the categories of dependant listed above.

If the payment was made to a non-dependant, select code **N**.

Example of the completed 'Emplyment termination payment (ETP) code' field on the PAYG payment summary - employment termination payment form. Box completed with N.

You do not have to withhold an amount from a death benefit termination payment paid to the trustee of a deceased estate. However, you must issue a payment summary to the trustee for the taxable component and include the payment summary as part of your *PAYG withholding payment summary annual report*.

Section C: Payer details

- [Australian business number (ABN) or withholding payer number (WPN)](#)

- [Branch number](#)

- [Name](#)

- [Declaration](#)

Australian business number (ABN) or withholding payer number (WPN)

As a payer, you must have either an ABN or WPN. Show your ABN or WPN as it appears on your activity statement.

For example, show an ABN of 12 345 678 912 as:

Example of the completed ABN or WPN field on the PAYG payment summary - employment termination payment form. Numbers completed in boxes on the form.

Branch number

If a business has one ABN but multiple branches, each branch may have an individual branch number. Show your branch number in the boxes provided. If you do not have a branch number, leave the boxes blank.

Name

Show your name as it appears on your activity statement.

For example, show ABC Pty Ltd as:

Example of the completed 'Name' field as shown on activity statement label on the PAYG payment summary - employment termination payment form. Complete name in the boxes with a space between words.

Declaration

Only the payer or a person authorised to sign on the payer's behalf can sign. You can print or type the name of the person authorised to sign the form. You must keep details of the authorised person with your records.

For details about the personal information we collect from you see **Privacy notice – PAYG payment summary – employment termination payment.**

After you complete this form

PAYG Payment summary – employment termination payment (from 1 July 2012) form is self-duplicating and includes copies for:

- us
- the payee
- the payer.

You must:

- give the payee their copy of this payment summary within 14 days of the payment being made
- send the ATO original to us along with your PAYG payment summary statement as part of your PAYG withholding payment summary annual report by 14 August, following the end of the income year. The postal address is on the PAYG payment summary statement

- retain the payer copy and keep this for five years.

Do not send us payment summaries printed from your payroll software. You must send us the ATO originals.

Note: Payees no longer have to lodge a copy of their payment summary with their tax return.

Lodging your payment summary information online

If you are not required to report via Single Touch Payroll (STP) and your payroll software meets our specifications, you can submit your payment summary information to us online using Online services for business. It is a quick and secure way for you to meet your lodgment obligations. You will need to set up your Digital ID, such as myID, and establish your authorisation using Relationship Authorisation Manager (RAM).

By doing this, you do not need to send copies of payment summaries to us, or complete a *PAYG payment summary statement*.

See also

- Reporting online

- Accessing online services with Digital ID and RAM

Amending PAYG payment summary – employment termination payment

You cannot change the information on a payment summary after you have either:

- given it to the payee

- provided your *PAYG payment summary annual report* to us.

How you correct a mistake depends on what type of mistake it was.

Next step

- PAYG withholding payment summaries – corrections for incorrect type of form, payee or payer details, TFN, dollar amount, payment type or code, and how to lodge your amendments

QC 26159

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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