



Schedule 4 – Tax table for return to work payments

Work out the tax to withhold from a payment to a person to resume working or provide services.

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Using this schedule

This schedule applies to payments made from 1 July 2024.

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 12-50 of Schedule 1 to the TAA.

Use this schedule if you pay an individual to resume working for, or provide services to you or any other entity.

If you employ individuals under a working holiday makers visa, use [Schedule 15 – Tax table for working holiday makers](#) for all payments made to them, including return to work payments.

Use the [Tax withheld calculator](#) to help you work out the correct amount of tax to withhold from payments to most employees.

Working out the withholding amount

To work out the amount you need to withhold, multiply the amount of the return to work payment by 32%. This rate applies to residents and non-residents.

Example: calculating the withholding amount

George previously worked for IT Services Pty Ltd. Due to a shortage in IT personnel, IT Services Pty Ltd offered George a position if he would return to work for it.

He was paid \$18,000 to start work, in addition to his salary.

The total amount IT Services Pty Ltd must withhold from the return to work payment is 32% of \$18,000 = \$5,760.

Rounding of withholding amounts

Withholding amounts calculated should be rounded to the nearest dollar. Results ending in 50 cents are rounded to the next higher dollar.

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 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 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 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, they have 28 days to give you their TFN.

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

PAYG withholding publications

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

- Tax tables
- PAYG withholding.

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