

# Medicare levy adjustment fortnightly tax table

This table should be read with the *PAYG withholding – Fortnightly tax table incorporating Medicare levy* (NAT 1006) and the *Medicare levy variation declaration* (NAT 0929).



**FOR PAYMENTS MADE ON OR AFTER 1 JULY 2008.**



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



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## WHO SHOULD USE THIS TABLE?

Use this table if you make payments on a fortnightly basis and the payee is entitled to a Medicare levy adjustment.

A payee is entitled to an adjustment if the payee:

- has provided you with a *Medicare levy variation declaration* in which they:
  - claimed dependants, and
  - answered ‘YES’ to question 10, ‘Is the combined weekly income of you and your spouse, or your income as a sole parent, less than the relevant amount in table A on page 1?’, and
- has fortnightly earnings of \$658 or more, but less than the corresponding amount in column A of table 1. For example, a payee who claims two dependent children must have fortnightly earnings of less than \$1,550 to be entitled to a Medicare levy adjustment.

❗ No Medicare levy is payable on fortnightly earnings of less than \$658.

If a payee claims more than 10 children, the column A amount is \$2,522, plus \$122 for each child claimed in excess of 10.

Column B shows the values used in calculating adjustments for payees with more than five dependent children. If a payee claims more than 10 dependent children, the column B amount is \$2,144.30 plus \$103.14 for each child in excess of 10.

➤ See ‘How to calculate the Medicare levy adjustment’ to use columns A and B.

**TABLE 1**

	Column A	Column B
Spouse only	\$1,308	—
Number of children		
1	\$1,430	—
2	\$1,550	—
3	\$1,672	—
4	\$1,794	—
5	\$1,914	—
6	\$2,036	\$1,731.70
7	\$2,158	\$1,834.84
8	\$2,280	\$1,938.00
9	\$2,400	\$2,041.16
10	\$2,522	\$2,144.30

## USING FORMULAS

The Medicare levy adjustments shown in this table can be expressed in a mathematical form.

If you have developed your own payroll software package, you will need to use the *PAYG withholding – Statement of formulas for calculating amounts to be withheld* (NAT 1004). A copy of this schedule is available from [www.ato.gov.au](http://www.ato.gov.au)

## HOW TO WORK OUT WITHHOLDING AMOUNTS

- 1 Use the *PAYG withholding – Fortnightly tax table* (NAT 1006) to find the fortnightly amount to be withheld from the payee’s earnings, allowing for any tax offsets claimed.
- 2 Reduce this amount by the amount of the Medicare levy adjustment, worked out as detailed below.

❗ Where the adjustment equals or exceeds the amount obtained in step 1, the amount to be withheld is nil.

## HOW TO CALCULATE THE MEDICARE LEVY ADJUSTMENT

### Payee claiming spouse and/or one to five dependent children

Round the fortnightly earnings down to the nearest dollar amount. Use the table on page 3 to find the payee’s fortnightly earnings, or the nearest lower figure, in the ‘Fortnightly earnings’ column and find the corresponding amount of Medicare levy adjustment in the appropriate column.

## EXAMPLE

The payee has fortnightly earnings of \$677.40 and is claiming four dependent children on the *Medicare levy variation declaration*. Find \$677, or the nearest lower figure (in this case \$676), in the ‘Fortnightly earnings’ column and refer to the corresponding Medicare levy adjustment of \$2.00 in the ‘4 children’ column.

### Payee with more than five dependent children

#### 1 Fortnightly earnings less than \$1,630 – Use the ‘5 children’ column

Round the fortnightly earnings down to the next dollar amount. Use the table beginning on page 3 to find the payee’s earnings, or the nearest lower figure, in the ‘Fortnightly earnings’ column and refer to the corresponding amount of Medicare levy adjustment in the ‘5 children’ column.

## EXAMPLE

The payee has fortnightly earnings of \$821.30 and is claiming six dependent children. Find \$820 in the ‘Fortnightly earnings’ column and refer to the corresponding Medicare levy adjustment of \$12.00 in the ‘5 children’ column.

#### 2 Fortnightly earnings of \$1,630 or more but less than the column B amount that corresponds to the number of dependent children claimed

Round the fortnightly earnings down to the next dollar amount. Take 1.5% of that amount and round to the nearest dollar.

## EXAMPLE

The payee has fortnightly earnings of \$1,644.90 and is claiming seven dependent children. Take 1.5% of \$1,644 (the next lower dollar amount), this equals \$24.66.

The Medicare levy adjustment is \$25, rounded to the nearest dollar.

#### 3 Fortnightly earnings of \$1,630 or more and greater than the column B amount but less than the column A amount that corresponds to the number of dependent children claimed

- a Take 1.5% of the relevant column B amount. Round the result to the nearest cent.
- b Take 8.5% of the difference between the fortnightly earnings (round down to the next dollar amount) and the column B amount. Round the result to the nearest cent.
- c Subtract the result of step b from step a.
- d Round the result to the nearest dollar.

## EXAMPLE

The payee has fortnightly earnings of \$1,958.40 and is claiming eight dependent children.

- a  $1.5\% \times \$1,938.00$  (column B amount for eight children) = \$29.07
- b  $8.5\% \times (\$1,958 - \$1,938.00)$  =  $8.5\% \times \$20.00$  = \$1.70
- c  $\$29.07 - \$1.70$  = \$27.37
- d \$27.00 (\$27.37 rounded to the nearest dollar).

The Medicare levy adjustment is \$27.

## PAYG WITHHOLDING PUBLICATIONS

All PAYG withholding tax tables and other PAYG publications can be accessed quickly and easily from [www.ato.gov.au](http://www.ato.gov.au)

Copies of weekly and fortnightly tax tables are available from most newsagents. Newsagents also hold copies of the *Tax file number declaration* (NAT 3092) and the *Withholding declaration* (NAT 3093).







## MEDICARE LEVY ADJUSTMENT FORTNIGHTLY TAX TABLE

Fortnightly earnings \$	Spouse only \$	1 child \$	2 children \$	3 children \$	4 children \$	5 children \$	Fortnightly earnings \$	Spouse only \$	1 child \$	2 children \$	3 children \$	4 children \$	5 children \$
1676	—	—	—	—	10.00	20.00	1796	—	—	—	—	—	10.00
1678	—	—	—	—	10.00	20.00	1798	—	—	—	—	—	10.00
1680	—	—	—	—	10.00	20.00	1800	—	—	—	—	—	10.00
1682	—	—	—	—	10.00	20.00	1802	—	—	—	—	—	10.00
1684	—	—	—	—	10.00	20.00	1804	—	—	—	—	—	10.00
1686	—	—	—	—	10.00	20.00	1806	—	—	—	—	—	10.00
1688	—	—	—	—	8.00	20.00	1808	—	—	—	—	—	10.00
1690	—	—	—	—	8.00	20.00	1810	—	—	—	—	—	8.00
1692	—	—	—	—	8.00	18.00	1812	—	—	—	—	—	8.00
1694	—	—	—	—	8.00	18.00	1814	—	—	—	—	—	8.00
1696	—	—	—	—	8.00	18.00	1816	—	—	—	—	—	8.00
1698	—	—	—	—	8.00	18.00	1818	—	—	—	—	—	8.00
1700	—	—	—	—	8.00	18.00	1820	—	—	—	—	—	8.00
1702	—	—	—	—	8.00	18.00	1822	—	—	—	—	—	8.00
1704	—	—	—	—	8.00	18.00	1824	—	—	—	—	—	8.00
1706	—	—	—	—	8.00	18.00	1826	—	—	—	—	—	8.00
1708	—	—	—	—	8.00	18.00	1828	—	—	—	—	—	8.00
1710	—	—	—	—	8.00	18.00	1830	—	—	—	—	—	8.00
1712	—	—	—	—	6.00	18.00	1832	—	—	—	—	—	6.00
1714	—	—	—	—	6.00	16.00	1834	—	—	—	—	—	6.00
1716	—	—	—	—	6.00	16.00	1836	—	—	—	—	—	6.00
1718	—	—	—	—	6.00	16.00	1838	—	—	—	—	—	6.00
1720	—	—	—	—	6.00	16.00	1840	—	—	—	—	—	6.00
1722	—	—	—	—	6.00	16.00	1842	—	—	—	—	—	6.00
1724	—	—	—	—	6.00	16.00	1844	—	—	—	—	—	6.00
1726	—	—	—	—	6.00	16.00	1846	—	—	—	—	—	6.00
1728	—	—	—	—	6.00	16.00	1848	—	—	—	—	—	6.00
1730	—	—	—	—	6.00	16.00	1850	—	—	—	—	—	6.00
1732	—	—	—	—	6.00	16.00	1852	—	—	—	—	—	6.00
1734	—	—	—	—	4.00	16.00	1854	—	—	—	—	—	6.00
1736	—	—	—	—	4.00	16.00	1856	—	—	—	—	—	4.00
1738	—	—	—	—	4.00	14.00	1858	—	—	—	—	—	4.00
1740	—	—	—	—	4.00	14.00	1860	—	—	—	—	—	4.00
1742	—	—	—	—	4.00	14.00	1862	—	—	—	—	—	4.00
1744	—	—	—	—	4.00	14.00	1864	—	—	—	—	—	4.00
1746	—	—	—	—	4.00	14.00	1866	—	—	—	—	—	4.00
1748	—	—	—	—	4.00	14.00	1868	—	—	—	—	—	4.00
1750	—	—	—	—	4.00	14.00	1870	—	—	—	—	—	4.00
1752	—	—	—	—	4.00	14.00	1872	—	—	—	—	—	4.00
1754	—	—	—	—	4.00	14.00	1874	—	—	—	—	—	4.00
1756	—	—	—	—	4.00	14.00	1876	—	—	—	—	—	4.00
1758	—	—	—	—	2.00	14.00	1878	—	—	—	—	—	4.00
1760	—	—	—	—	2.00	14.00	1880	—	—	—	—	—	2.00
1762	—	—	—	—	2.00	12.00	1882	—	—	—	—	—	2.00
1764	—	—	—	—	2.00	12.00	1884	—	—	—	—	—	2.00
1766	—	—	—	—	2.00	12.00	1886	—	—	—	—	—	2.00
1768	—	—	—	—	2.00	12.00	1888	—	—	—	—	—	2.00
1770	—	—	—	—	2.00	12.00	1890	—	—	—	—	—	2.00
1772	—	—	—	—	2.00	12.00	1892	—	—	—	—	—	2.00
1774	—	—	—	—	2.00	12.00	1894	—	—	—	—	—	2.00
1776	—	—	—	—	2.00	12.00	1896	—	—	—	—	—	2.00
1778	—	—	—	—	2.00	12.00	1898	—	—	—	—	—	2.00
1780	—	—	—	—	2.00	12.00	1900	—	—	—	—	—	2.00
1782	—	—	—	—	—	12.00	1902	—	—	—	—	—	2.00
1784	—	—	—	—	—	12.00	1904	—	—	—	—	—	—
1786	—	—	—	—	—	10.00	1906	—	—	—	—	—	—
1788	—	—	—	—	—	10.00	1908	—	—	—	—	—	—
1790	—	—	—	—	—	10.00	1910	—	—	—	—	—	—
1792	—	—	—	—	—	10.00	1912	—	—	—	—	—	—
1794	—	—	—	—	—	10.00	1914	—	—	—	—	—	—

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