



## Australian Taxation Office

### Taxation Administration Act 1953

### Pay as you go withholding

## Taxation Administration Act Withholding Schedules 2015 – Legislative Instrument

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I, Steve Vesperman, Deputy Commissioner of Taxation, make this instrument under section 15-25 of Schedule 1 to the *Taxation Administration Act 1953*.

Signed on the 17<sup>th</sup> day of June 2015

Steve Vesperman  
Deputy Commissioner of Taxation

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### Commencement

This instrument commences on 1 July 2015.

### Repeal of previous instrument

Taxation Administration Act Withholding Schedules 2015 - F2015L00750, registered on 28/05/2015 is repealed on the commencement of this instrument.

### Purpose

- (1) Withholding schedules specify the formulas and procedures to be used for working out the amount to be withheld by an entity from a withholding payment covered by Subdivision 12-B, 12-C or 12-D of Schedule 1 to the *Taxation Administration Act 1953*.
- (2) The withholding schedules in this instrument are made for the purposes of collecting income tax, Medicare levy, Temporary Budget Repair levy and amounts of liabilities to the Commonwealth under the *Higher Education Support Act 2003*, the *Trade Support Loans Act 2014*, the *Social Security Act 1991* and the *Student Assistance Act 1973*.

- (3) The withholding schedules in this instrument replace schedules included in Legislative Instrument F2015L00750 which was registered on 28 May 2015. This instrument revokes those schedules.

### **Withholding Schedules**

Each of the withholding schedules listed in the following table, has effect from the date of commencement of this instrument:

<b>Schedule number</b>	<b>Quick code number</b>	<b>Title</b>
1	45521	Statement of formulas for calculating amounts to be withheld
2	45522	Tax table for individuals employed in the horticultural or shearing industry
3	45523	Tax table for actors, variety artists and other entertainers
5	45524	Tax table for back payments, commissions, bonuses and similar payments
6	45525	Tax table for annuities
7	45606	Tax table for unused leave payments on termination of employment
8	45526	Statement of formulas for calculating Higher Education Loan Program (HELP), Trade Support Loan (TSL) and Student Financial Supplement Scheme (SFSS) components
9	45527	Tax table for seniors and pensioners
11	45529	Tax table for employment termination payments
12	45530	Tax table for superannuation lump sums
13	45531	Tax table for superannuation income streams

## Revocation of withholding schedules

Each of the withholding schedules listed in the following table, is withdrawn:

<b>Schedule number</b>	<b>Quick code number</b>	<b>Title</b>
1	39407	Statement of formulas for calculation amounts to be withheld
2	39416	Tax table for individuals employed in the horticultural or shearing industry
3	39417	Tax table for actors, variety artists and other entertainers
5	39428	Tax table for back payments, commissions, bonuses and similar payments
6	39429	Tax table for annuities
7	39430	Tax table for unused leave payments on termination of employment
8	39431	Statement of formulas for calculating Higher Education Loan Program (HELP) and Student Financial Supplement Scheme (SFSS) components
9	39432	Tax table for seniors and pensioners
11	39434	Tax table for employment termination payments
12	39435	Tax table for superannuation lump sums
13	39436	Tax table for superannuation income streams

# Schedule 1 – Statement of formulas for calculating amounts to be withheld

For payments made on or after 1 July 2015

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* (TAA). It applies to withholding payments covered by Subdivisions 12-B (except sections 12-50 and 12-55), and 12-D of Schedule 1 to the TAA.

## Using this schedule

If you develop your own payroll software package, this schedule provides the formulas that you will need to calculate the amounts to be withheld from payments made on a weekly, fortnightly, monthly or quarterly basis.

To assist employers who do not have a payroll software package our website makes available:

- a tax withheld calculator, and
- tax tables

which are based on the formulas in this schedule.

Payments covered include:

- salary, wages, allowances and leave loading paid to employees
- paid parental leave
- directors' fees
- salary and allowances paid to office holders (including members of parliament, statutory office holders, defence force members and police officers)
- payments to labour hire workers
- payments to religious practitioners
- government pensions
- government education or training payments
- compensation, sickness or accident payments that are calculated at a periodical rate and made because a person is unable to work (unless the payment is made under an insurance policy to the policy owner).

### Get it done

You can download a printable version of [Statement of formulas for calculating amounts to be withheld](#) (NAT 1004, 586KB) in Portable Document Format (PDF).

# Coefficients for calculation of amounts to be withheld (withholding amounts) from weekly payments

Where the tax-free threshold is not claimed in *Tax file number declaration* – Scale 1

Weekly earnings (x) less than \$	a	b
45	0.1900	0.1900
361	0.2321	1.8961
932	0.3477	43.6900
1,188	0.3450	41.1734
3,111	0.3900	94.6542
3,111 & over	0.4900	405.8080

Where the employee claimed the tax-free threshold in *Tax file number declaration* – Scale 2

Weekly earnings (x) less than \$	a	b
355	-	-
395	0.1900	67.4635
493	0.2900	106.9673
711	0.2100	67.4642
1,282	0.3477	165.4431
1,538	0.3450	161.9815
3,461	0.3900	231.2123
3,461 & over	0.4900	577.3662

**Foreign residents –Scale 3**

<b>Weekly earnings (x) less than \$</b>	<b>a</b>	<b>b</b>
1,538	0.3250	0.3250
3,461	0.3700	69.2308
3,461 & over	0.4700	415.3846

**Where a tax file number (TFN) was not provided by employee –Scale 4**

<b>Earnings</b>	<b>Tax rate</b>
<b>Resident</b> \$1 & over	0.4900
<b>Foreign resident</b> \$1 & over	0.4700

**Where the employee claimed the FULL exemption from Medicare levy in *Medicare levy variation declaration* –Scale 5**

<b>Weekly earnings (x) less than \$</b>	<b>a</b>	<b>b</b>
355	-	-
711	0.1900	67.4635
1,282	0.3277	165.4423
1,538	0.3250	161.9808
3,461	0.3700	231.2115
3,461 & over	0.4700	577.3654

**Where the employee claimed the HALF exemption from Medicare levy in *Medicare levy variation declaration* –Scale 6**

<b>Weekly earnings (x) less than \$</b>	<b>a</b>	<b>b</b>
355	-	-
660	0.1900	67.4635
711	0.2400	100.5087
826	0.3777	198.4875
1,282	0.3377	165.4429

1,538	0.3350	161.9813
3,461	0.3800	231.2121
3,461 & over	0.4800	577.3660

## Notes

1. If you have 27 fortnightly, or 53 weekly pays in a financial year, refer to [withholding additional amounts from employee earnings](#).
2. Scales 1, 2, 3, 5 and 6 may be applied only where employees have provided their TFN.
3. For scale 4 no coefficients are necessary. To calculate withholding, apply the tax rate to earnings, ignoring any cents in earnings and in the withholding result.
4. Scale 1 and 2 apply whether or not the employee is entitled to any leave loading.
5. Tax offsets may be allowed only where scales 2, 5 or 6 are applied.
6. All scales include the Temporary Budget Repair Levy.
7. Scale 1, 2, 4 and 6 incorporate the Medicare levy. Scale 4 incorporates the Medicare levy for residents only.
8. For scale 2 no Medicare levy is payable by a person whose taxable income for the year is \$20,542 (\$395 per week) or less. Where the taxable income exceeds \$20,542 but is less than \$25,677 (\$493 per week), the levy is shaded in at the rate of 10% of the excess over \$20,542. Where a person's taxable income is \$25,677 (\$493 per week) or more, Medicare is levied at the rate of 2% of total taxable income.
9. The Medicare levy is also shaded in for scale 6. The Medicare levy parameters for scales 2 and 6 are as follows:

### Medicare levy parameters

	Scale 2	Scale 6
Weekly earnings threshold	395	660
Weekly earnings shade-in threshold	493	826
Medicare levy family threshold	34,367	34,367
Weekly family threshold divisor	52	52
Additional child	3,156	3,156
Shading out point multiplier	0.1000	0.0500
Shading out point divisor	0.0800	0.0400
Weekly levy adjustment factor	395.0400	660.9000
Medicare levy	0.0200	0.0100

# About this schedule

Amounts to be withheld from payments made weekly, fortnightly, monthly and quarterly, as set out in the relevant PAYG withholding tax table, can be calculated using the formulas and coefficients contained in this schedule.

Separate formulas apply to:

- employees who have not claimed the tax-free threshold
- foreign residents
- employees claiming a full exemption from Medicare levy
- employees claiming a half exemption from Medicare levy
- employees who have claimed the tax-free threshold.

## Find out more

- [Tax file number \(TFN\) declarations](#)
- [Withholding declarations](#)
- [Allowances](#)
- [Holiday pay, long service leave and employment termination payments](#)
- [Claiming tax offsets](#)
- [Medicare levy adjustment](#)

## Using a formula

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

- **y** is the weekly withholding amount expressed in dollars
- **x** is the number of whole dollars in the weekly earnings plus 99 cents
- **a** and **b** are the values of the coefficients for each set of formulas for each range of weekly earnings (or, in the case of fortnightly, monthly or quarterly earnings, [the weekly equivalent of these amounts](#)).

The formulas relate only to the calculation of withholding amounts before any tax offsets and Medicare levy adjustments are allowed. For instructions on the treatment of tax offsets and Medicare levy adjustments, refer to [Tax offsets](#) and [Medicare levy adjustments](#).

For sample data to verify that the software program is calculating the correct withholding amounts and Medicare levy adjustments, see [Withholding amounts](#) and [Medicare levy adjustments](#).

Withholding amounts calculated using these formulas may vary slightly to those calculated using the method set out in the footnote to the appropriate PAYG withholding tax table. This applies if earnings exceed \$3,275 weekly or \$6,550 fortnightly.



## Rounding of withholding amounts

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

Use these rounding rules across all scales except scale 4 (where employee does not provide a TFN). For scale 4, cents are ignored when applying the tax rate to earnings and when withholding amounts are calculated.

## When there are 53 pays in a financial year

In some years, you may have 53 pays instead of the usual 52. As this schedule is based on 52 pays, the extra pay may result in insufficient amounts being withheld. You should let your employees know when this occurs so if they are concerned about a shortfall in tax withheld, they can ask you to withhold the additional amount in the table below.

<b>Weekly earnings</b> \$	<b>Additional withholding</b> \$
725 to 1,524	3
1,525 to 3,449	4
3,450 and over	10

## When there are 27 pays in a financial year

In some years, you may have 27 pays instead of the usual 26. As this schedule is based on 26 pays, the extra pay may result in insufficient amounts being withheld. You should let employees know when this occurs so if they are concerned about a shortfall in tax withheld, they can ask you to withhold the additional amounts in the table below.

<b>Fortnightly earnings</b> \$	<b>Additional withholding</b> \$
1,400 to 3,049	12
3,050 to 6,799	17
6,800 and over	42

## Working out the weekly earnings

The method of working out the weekly earnings (x) for the purpose of applying the formulas is as follows:

### Example

Weekly income	\$367.59
Add allowance subject to withholding	<u>\$ 9.50</u>

Total earnings (ignore cents)	\$377.00
Add 99 cents	<u>\$0.99</u>
<b>Weekly earnings</b>	<b>\$377.99</b>

## Calculating withholding fortnightly, monthly or quarterly amounts

First calculate the weekly equivalent of fortnightly, monthly or quarterly earnings. If you pay:

- fortnightly – divide the sum of the fortnightly earnings and the amount of any allowances subject to withholding by two. Ignore any cents in the result and then add 99 cents.
- monthly – obtain the sum of the monthly earnings and the amount of any allowances subject to withholding (if the result is an amount ending in 33 cents, add one cent), multiply this amount by three and then divide by 13. Ignore any cents in the result and then add 99 cents.
- quarterly – divide the sum of the quarterly earnings and the amount of any allowances subject to withholding by 13. Ignore any cents in the result and then add 99 cents.

Then calculate fortnightly, monthly or quarterly withholding amounts as follows:

- fortnightly – work out the rounded weekly withholding amount applicable to the weekly equivalent of earnings, before any adjustment for tax offsets. Multiply this amount by two.
- monthly – work out the rounded weekly withholding amount applicable to the weekly equivalent of earnings, before any adjustment for tax offsets. Multiply this amount by 13, divide the product by three and round the result to the nearest dollar.
- quarterly – work out the rounded weekly withholding amount applicable to the weekly equivalent of earnings, before any adjustment for tax offsets. Multiply this amount by 13.

## Tax offsets

The withholding amount calculated using scales 2, 5 or 6 of the formulas is reduced as follows:

- weekly – 1.9% of the total amount claimed at the tax offsets questions on the *Withholding declaration* (NAT 3093), rounded to the nearest dollar
- fortnightly – 3.8% of the total amount claimed at the tax offsets questions on the *Withholding declaration*, rounded to the nearest dollar
- monthly – 8.3% of the total amount claimed at the tax offsets questions on the *Withholding declaration*, rounded to the nearest dollar
- quarterly – 25% of the total amount claimed at the tax offsets questions on the *Withholding declaration*, rounded to the nearest dollar.

# Medicare levy adjustment

A Medicare levy adjustment is not allowed where withholding amounts have been calculated using scales 1, 3, 4 or 5. The amount obtained using scales 2 or 6 (after allowing for any tax offsets) is reduced by any amount of Medicare levy adjustment applicable.

## When an employee is entitled to an adjustment

An employee who has lodged both a completed *Withholding declaration* and a [Medicare levy variation declaration](#) (NAT 0929), may be entitled to a Medicare levy adjustment if they have weekly earnings of one of the following:

- \$395 or more where scale 2 is applied
- \$660 or more where scale 6 is applied.

To claim the adjustment, the employee must answer **yes** to question 10 and **yes** to question 9, and/or question 12 on the *Medicare levy variation declaration*.

## Calculating the Medicare levy adjustment

To calculate the Medicare levy adjustment, your software package will need to be able to distinguish those employees who have answered **yes** to question 9 and **no** to question 12 on the *Medicare levy variation declaration*.

Where employees have answered **yes** to question 12, the software must be able to store the number of dependants shown at this question on the declaration.

You will need to calculate the weekly family threshold and shading out point (SOP) before calculating the weekly levy adjustment for employees with weekly earnings of one of the following:

- \$493 or more where scale 2 is applied
- \$826 or more where scale 6 is applied.

Values used in the calculations may be regarded as variables.

## Weekly family threshold (WFT)

### Where scale 2 or scale 6 is applied

- Where an employee has answered **yes** to question 9 and **no** to question 12 on the *Medicare levy variation declaration*:
  - $\text{WFT} = \$660.90 (34,367 \div 52)$  (rounded to the nearest cent).
- Where an employee has answered **yes** to question 12 on the *Medicare levy variation declaration*, you need to:
  - a. multiply the number of children shown at question 12 by 3,156 and add the result to 34,367

- b. divide the result of (a) by 52
- c. round the result of (b) to the nearest cent.

### Example

If the employee has shown two dependent children at question 12:

$$\text{WFT} = ([3,156 \times 2] + 34,367) \div 52$$

$$\text{WFT} = 782.2885 \text{ or } \$782.29 \text{ (rounded to the nearest cent)}$$

## Shading Out Point (SOP)

The SOP relative to an employee's WFT is calculated as follows:

Multiply WFT by 0.1 and divide the result by 0.0800. Ignore any cents in the result.

### Example

Employee has shown six dependent children at question 12 and scale 2 is applied:

$$\text{WFT} = ([3,156 \times 6] + 34,367) \div 52$$

$$\text{WFT} = 1,025.0577 \text{ or } \$1,025.06 \text{ (rounded to the nearest cent)}$$

$$\text{SOP} = (\text{WFT} \times 0.1) \div 0.0800$$

$$\text{SOP} = (\$1,025.06 \times 0.1) \div 0.0800$$

$$\text{SOP} = 1,281.3250 \text{ or } \$1,281 \text{ (ignoring cents)}$$

## Weekly Levy Adjustment (WLA)

### Where scale 2 is applied

Where weekly earnings are \$395 or more but less than the SOP, the WLA is derived by applying the weekly earnings (**x**) expressed in whole dollars plus an amount of 99 cents (refer to [Working out the weekly earnings](#)), in the following formulas:

1. If **x** is less than \$493,  $\text{WLA} = (\mathbf{x} - 395.04) \times 0.1$
2. If **x** is \$493 or more but less than WFT,  $\text{WLA} = \mathbf{x} \times 0.0200$
3. If **x** is equal to or greater than WFT and less than the SOP,  $\text{WLA} = (\text{WFT} \times 0.0200) - ([\mathbf{x} - \text{WFT}] \times 0.0800)$

### Where scale 6 is applied

Where weekly earnings are \$660 or more but less than the SOP, the WLA is derived by applying the weekly earnings (**x**) expressed in whole dollars plus an amount of 99 cents (refer to [Working out the weekly earnings](#)), in the following formulas:

1. If **x** is less than \$826,  $\text{WLA} = (\mathbf{x} - 660.90) \times 0.05$
2. If **x** is \$826 or more but less than WFT,  $\text{WLA} = \mathbf{x} \times 0.0100$

3. If  $x$  is equal to or greater than WFT and less than the SOP,  $WLA = (WFT \times 0.0100) - ([x - WFT] \times 0.0400)$

In each case WLA should be rounded to the nearest dollar.

Values ending in 50 cents should be rounded to the next higher dollar.

## Examples

### Example 1

Employee's weekly earnings are \$405.33 and scale 2 is applied.

$$x = 405.99$$

As  $x$  is less than \$493, WLA is calculated using formula (1):

$$\begin{aligned} WLA &= (405.99 - 395.04) \times 0.1 \\ &= 1.0950 \text{ or } \$1.00 \text{ (rounded to the nearest dollar).} \end{aligned}$$

### Example 2

Employee's weekly earnings are \$835.47 and the number of children claimed at question 12 is three. Scale 6 is applied.

$$x = 835.99$$

$$\begin{aligned} WFT &= ([3,156 \times 3] + 34,367) \div 52 \\ &= 842.9808 \text{ or } \$842.98 \text{ (rounded to the nearest cent)} \end{aligned}$$

As  $x$  is greater than \$826 and less than WFT, WLA is calculated using formula (2):

$$\begin{aligned} WLA &= 835.99 \times 0.01 \\ &= 8.3599 \text{ or } \$8.00 \text{ (rounded to the nearest dollar).} \end{aligned}$$

### Example 3

Employee's weekly earnings are \$982.29 and the number of children claimed at question 12 is four. Scale 2 is applied.

$$x = 982.99$$

$$\begin{aligned} WFT &= ([3,156 \times 4] + 34,367) \div 52 \\ &= 903.6731 \text{ or } \$903.67 \text{ (rounded to the nearest cent).} \end{aligned}$$

$$\begin{aligned} SOP &= (903.67 \times 0.1) \div 0.08 \\ &= 1,129.5875 \text{ or } \$1,129 \text{ (ignoring cents).} \end{aligned}$$

As  $x$  is greater than WFT and less than SOP, WLA is calculated using formula (3):

$$\begin{aligned} WLA &= (903.67 \times 0.020) - ([982.99 - 903.67] \times 0.0800) \\ &= 11.7278 \text{ or } \$12.00 \text{ (rounded to the nearest dollar)} \end{aligned}$$

# Fortnightly levy adjustment

Multiply rounded weekly levy adjustment by two.

## Example

Employee's fortnightly earnings are \$1,495.52 and the number of children claimed at question 12 is one. Scale 2 is applied.

Equivalent weekly earnings =  $\$1,495.52 \div 2$

= \$747.76

$x = 747.99$

$WFT = (3,156 \times 1] + 34,367) \div 52$

= 721.5962 or \$721.60 (rounded to the nearest cent).

$SOP = (721.60 \times 0.1) \div 0.08$

= 902.0000 or \$902 (ignoring cents).

As  $x$  is greater than WFT and less than SOP, formula (3) is used:

$WLA = (721.60 \times 0.020) - ([747.99 - 721.60] \times 0.0800)$

= 12.3208 or \$12.00 (rounded to the nearest dollar).

The fortnightly levy adjustment is therefore \$24.00 ( $\$12.00 \times 2$ )

# Monthly levy adjustment

Multiply rounded weekly levy adjustment by 13 and divide the result by three. The result should be rounded to the nearest dollar.

## Example

Employee's monthly earnings are \$2,800.33 and has a spouse but no children. Scale 2 is applied.

Equivalent weekly earnings =  $(\$2,800.33 + 0.01) \times 3 \div 13$

= \$646.23

$x = 646.99$

$WFT = \$660.90$

As  $x$  is greater than \$493 and less than WFT, formula (2) applies:

$WLA = 646.99 \times 0.0200 = 12.9398$  or \$13.00 (rounded to the nearest dollar).

The monthly adjustment is therefore \$56.00 ( $\$13.00 \times 13 \div 3$ , rounded to the nearest dollar).

# Quarterly levy adjustment

Multiply rounded weekly levy adjustment by 13

# General examples

## Example 1

Employee's weekly earnings are \$975.45. Employee has completed a *Tax file number declaration* claiming the tax-free threshold. The employee has also provided a *Medicare levy variation declaration* with five children shown at question 12.

**Therefore, scale 2 is applied.**

$$x = 975.99$$

Weekly withholding amount (**y**)

$$= (a \times x) - b$$

$$= (0.3477 \times 975.99) - 165.4431$$

$$= 173.9086 \text{ or } \$174.00 \text{ (rounded to nearest dollar)}$$

Levy adjustment: weekly earnings are greater than WFT (\$964.37) and less than the SOP (\$1,205) appropriate to employee with five children. Formula (3) applies.

$$= (964.37 \times 0.0200) - ([975.99 - 964.37] \times 0.0800)$$

$$= 19.2874 - 0.9296$$

$$= 18.3578 \text{ or } \$18.00 \text{ (rounded to nearest dollar)}$$

Net weekly withholding amount

$$\$174.00 - \$18.00 = \$156.00$$

## Example 2

Employee's fortnightly earnings are \$1,110.30. Employee resides in zone B, has provided a *Tax file number declaration* that claims the tax-free threshold and a *Withholding declaration* that claims zone and tax offsets at the tax offsets questions that totals \$1,645. The employee has also lodged a *Medicare levy variation declaration* claiming a full exemption from the Medicare levy.

**Therefore, scale 5 is applied.**

Convert to weekly equivalent

$$= (1,110.30 \div 2)$$

$$= 555.15 \text{ or } \$555 \text{ (ignore cents)}$$

$$x = 555.99$$

Weekly withholding amount (**y**)

$$= (a \times x) - b$$

$$= (0.1900 \times 555.99) - 67.4635$$



= 38.1746 or \$38.00 (rounded to nearest dollar)

Fortnightly withholding amount

$\$38.00 \times 2 = \$76.00$

Tax offsets claimed at the tax offsets questions on the *Withholding declaration*

= 3.8% of \$1,645

= 62.5100 or \$63.00 (rounded to nearest dollar)

Net fortnightly withholding amount

$\$76.00 - \$63.00 = \$13.00$ .

### **Example 3**

Employee's monthly earnings are \$3,940.33. Employee has provided a *Tax file number declaration* claiming the tax-free threshold and claimed a total tax offset of \$1,365 at the tax offsets question on the *Withholding declaration*. The employee has one child but is not eligible for a Medicare levy adjustment. The weekly equivalent of the employee's earnings exceeds the Medicare levy SOP of \$902 appropriate to an employee with one child.

**Therefore, scale 2 is applied.**

Convert to weekly equivalent

$= (\$3,940.33 \div 4) \times 52 \div 52 = \$3,940.33$

= 909.3092 or \$909 (ignore cents)

**x** = 909.99

Weekly withholding amount (**y**)

**= (a × x) – b**

$= (0.3477 \times 909.99) - 165.4431$

= 150.9604 or \$151.00 (rounded to nearest dollar)

Monthly withholding amount

$\$151.00 \times 12 \div 12 = \$1,812.00$  or \$1,812.00 (rounded to nearest dollar)

Tax offset claimed

= 8.3% of \$1,365

= 113.2950 or \$113.00 (rounded to nearest dollar)

Net monthly withholding amount

$\$1,812.00 - \$113.00 = \$1,699.00$

# Calculating withholding amounts for payments made on a daily or casual basis

The withholding amounts shown in the [Tax table for daily and casual workers](#) (NAT 1024) can be expressed in a mathematical form, using the formulas and coefficients provided.

To work out withholding amounts using the formulas:

4. Multiply earnings (ignoring any cents) by five to work out the weekly equivalent. Add 99 cents to the result.
5. Calculate the weekly amount by applying the coefficients at:
  - Scale 1 where an employee is not claiming the tax-free threshold
  - Scale 2 where an employee is claiming the tax-free threshold.
6. Round the result to the nearest dollar.
7. Divide this amount by five to convert it to the daily equivalent.
8. Round the daily withholding amount to the nearest dollar.

Where the employee is entitled to the seniors and pensioners tax offset, replace with the appropriate coefficients from [Tax table for seniors and pensioners](#) (NAT 4466)

## Accounting software

Software written in accordance with the formulas in this schedule should be tested for accuracy against the sample data provided. The results obtained when using the coefficients in this schedule may differ slightly from the amounts shown in the PAYG tax tables. The differences result from the rounding of components.

## Sample data

### Weekly withholding amounts

Amounts to be withheld

Weekly earnings \$	Scale 1 No tax-free threshold \$	Scale 2 With tax-free threshold \$	Scale 3 Foreign resident \$	Scale 5 Full Medicare exemption \$	Scale 6 Half Medicare exemption \$
44	8.00	—	14.00	—	—
45	9.00	—	15.00	—	—

116	25.00	—	38.00	—	—
117	25.00	—	38.00	—	—
249	56.00	—	81.00	—	—
250	56.00	—	81.00	—	—
354	80.00	—	115.00	—	—
355	81.00	—	115.00	—	—
360	82.00	1.00	117.00	1.00	1.00
361	82.00	1.00	117.00	1.00	1.00
394	94.00	8.00	128.00	8.00	8.00
395	94.00	8.00	128.00	8.00	8.00
492	128.00	36.00	160.00	26.00	26.00
493	128.00	36.00	160.00	26.00	26.00
659	186.00	71.00	214.00	58.00	58.00
660	186.00	71.00	214.00	58.00	58.00
710	204.00	82.00	231.00	68.00	70.00
711	204.00	82.00	231.00	68.00	70.00
825	244.00	122.00	268.00	105.00	113.00
826	244.00	122.00	268.00	106.00	114.00
931	280.00	159.00	303.00	140.00	149.00
932	281.00	159.00	303.00	140.00	150.00
1187	369.00	248.00	386.00	224.00	236.00
1188	369.00	248.00	386.00	224.00	236.00
1281	405.00	280.00	416.00	255.00	267.00
1282	406.00	281.00	417.00	255.00	268.00
1537	505.00	369.00	500.00	338.00	353.00
1538	506.00	369.00	500.00	338.00	354.00
1844	625.00	488.00	613.00	451.00	470.00
1845	625.00	489.00	614.00	452.00	470.00
2119	732.00	596.00	715.00	553.00	574.00
2120	733.00	596.00	716.00	554.00	575.00

2490	877.00	740.00	852.00	690.00	715.00
2491	877.00	741.00	853.00	691.00	716.00
2652	940.00	803.00	912.00	750.00	777.00
2653	940.00	804.00	913.00	751.00	777.00
2736	973.00	836.00	943.00	781.00	809.00
2737	973.00	837.00	944.00	782.00	809.00
2898	1036.00	899.00	1003.00	841.00	870.00
2899	1036.00	900.00	1004.00	842.00	871.00
2913	1042.00	905.00	1009.00	847.00	876.00
2914	1042.00	906.00	1009.00	847.00	876.00
3110	1119.00	982.00	1082.00	920.00	951.00
3111	1119.00	982.00	1082.00	920.00	951.00
3460	1290.00	1119.00	1211.00	1049.00	1084.00
3461	1291.00	1119.00	1212.00	1050.00	1084.00

## Fortnightly withholding amounts

Fortnightly earnings \$	Scale 1 No tax-free threshold \$	Scale 2 With tax-free threshold \$	Scale 3 Foreign resident \$	Scale 5 Full Medicare exemption \$	Scale 6 Half Medicare exemption \$
88	16.00	—	28.00	—	—
90	18.00	—	30.00	—	—
232	50.00	—	76.00	—	—
234	50.00	—	76.00	—	—
498	112.00	—	162.00	—	—
500	112.00	—	162.00	—	—
708	160.00	—	230.00	—	—
710	162.00	—	230.00	—	—
720	164.00	2.00	234.00	2.00	2.00
722	164.00	2.00	234.00	2.00	2.00

788	188.00	16.00	256.00	16.00	16.00
790	188.00	16.00	256.00	16.00	16.00
984	256.00	72.00	320.00	52.00	52.00
986	256.00	72.00	320.00	52.00	52.00
1318	372.00	142.00	428.00	116.00	116.00
1320	372.00	142.00	428.00	116.00	116.00
1420	408.00	164.00	462.00	136.00	140.00
1422	408.00	164.00	462.00	136.00	140.00
1650	488.00	244.00	536.00	210.00	226.00
1652	488.00	244.00	536.00	212.00	228.00
1862	560.00	318.00	606.00	280.00	298.00
1864	562.00	318.00	606.00	280.00	300.00
2374	738.00	496.00	772.00	448.00	472.00
2376	738.00	496.00	772.00	448.00	472.00
2562	810.00	560.00	832.00	510.00	534.00
2564	812.00	562.00	834.00	510.00	536.00
3074	1010.00	738.00	1000.00	676.00	706.00
3076	1012.00	738.00	1000.00	676.00	708.00
3688	1250.00	976.00	1226.00	902.00	940.00
3690	1250.00	978.00	1228.00	904.00	940.00
4238	1464.00	1192.00	1430.00	1106.00	1148.00
4240	1466.00	1192.00	1432.00	1108.00	1150.00
4980	1754.00	1480.00	1704.00	1380.00	1430.00
4982	1754.00	1482.00	1706.00	1382.00	1432.00
5304	1880.00	1606.00	1824.00	1500.00	1554.00
5306	1880.00	1608.00	1826.00	1502.00	1554.00
5472	1946.00	1672.00	1886.00	1562.00	1618.00
5474	1946.00	1674.00	1888.00	1564.00	1618.00
5796	2072.00	1798.00	2006.00	1682.00	1740.00
5798	2072.00	1800.00	2008.00	1684.00	1742.00

5826	2084.00	1810.00	2018.00	1694.00	1752.00
5828	2084.00	1812.00	2018.00	1694.00	1752.00
6220	2238.00	1964.00	2164.00	1840.00	1902.00
6222	2238.00	1964.00	2164.00	1840.00	1902.00
6920	2580.00	2238.00	2422.00	2098.00	2168.00
6922	2582.00	2238.00	2424.00	2100.00	2168.00

## Monthly withholding amounts

Monthly earnings \$	Scale 1 No tax-free threshold \$	Scale 2 With tax-free threshold \$	Scale 3 Foreign resident \$	Scale 5 Full Medicare exemption \$	Scale 6 Half Medicare exemption \$
190.67	35.00	—	61.00	—	—
195.00	39.00	—	65.00	—	—
502.67	108.00	—	165.00	—	—
507.00	108.00	—	165.00	—	—
1079.00	243.00	—	351.00	—	—
1083.33	243.00	—	351.00	—	—
1534.00	347.00	—	498.00	—	—
1538.33	351.00	—	498.00	—	—
1560.00	355.00	4.00	507.00	4.00	4.00
1564.33	355.00	4.00	507.00	4.00	4.00
1707.33	407.00	35.00	555.00	35.00	35.00
1711.67	407.00	35.00	555.00	35.00	35.00
2132.00	555.00	156.00	693.00	113.00	113.00
2136.33	555.00	156.00	693.00	113.00	113.00
2855.67	806.00	308.00	927.00	251.00	251.00
2860.00	806.00	308.00	927.00	251.00	251.00
3076.67	884.00	355.00	1001.00	295.00	303.00
3081.00	884.00	355.00	1001.00	295.00	303.00

3575.00	1057.00	529.00	1161.00	455.00	490.00
3579.33	1057.00	529.00	1161.00	459.00	494.00
4034.33	1213.00	689.00	1313.00	607.00	646.00
4038.67	1218.00	689.00	1313.00	607.00	650.00
5143.67	1599.00	1075.00	1673.00	971.00	1023.00
5148.00	1599.00	1075.00	1673.00	971.00	1023.00
5551.00	1755.00	1213.00	1803.00	1105.00	1157.00
5555.33	1759.00	1218.00	1807.00	1105.00	1161.00
6660.33	2188.00	1599.00	2167.00	1465.00	1530.00
6664.67	2193.00	1599.00	2167.00	1465.00	1534.00
7990.67	2708.00	2115.00	2656.00	1954.00	2037.00
7995.00	2708.00	2119.00	2661.00	1959.00	2037.00
9182.33	3172.00	2583.00	3098.00	2396.00	2487.00
9186.67	3176.00	2583.00	3103.00	2401.00	2492.00
10790.00	3800.00	3207.00	3692.00	2990.00	3098.00
10794.33	3800.00	3211.00	3696.00	2994.00	3103.00
11492.00	4073.00	3480.00	3952.00	3250.00	3367.00
11496.33	4073.00	3484.00	3956.00	3254.00	3367.00
11856.00	4216.00	3623.00	4086.00	3384.00	3506.00
11860.33	4216.00	3627.00	4091.00	3389.00	3506.00
12558.00	4489.00	3896.00	4346.00	3644.00	3770.00
12562.33	4489.00	3900.00	4351.00	3649.00	3774.00
12623.00	4515.00	3922.00	4372.00	3670.00	3796.00
12627.33	4515.00	3926.00	4372.00	3670.00	3796.00
13476.67	4849.00	4255.00	4689.00	3987.00	4121.00
13481.00	4849.00	4255.00	4689.00	3987.00	4121.00
14993.33	5590.00	4849.00	5248.00	4546.00	4697.00
14997.67	5594.00	4849.00	5252.00	4550.00	4697.00

## Sample data – Scale 2

### Weekly Medicare levy adjustment

Weekly earnings \$	Spouse only \$	1 child \$	2 children \$	3 children \$	4 children \$	5 children \$
394	—	—	—	—	—	—
395	—	—	—	—	—	—
443	5.00	5.00	5.00	5.00	5.00	5.00
444	5.00	5.00	5.00	5.00	5.00	5.00
492	10.00	10.00	10.00	10.00	10.00	10.00
493	10.00	10.00	10.00	10.00	10.00	10.00
517	10.00	10.00	10.00	10.00	10.00	10.00
518	10.00	10.00	10.00	10.00	10.00	10.00
542	11.00	11.00	11.00	11.00	11.00	11.00
543	11.00	11.00	11.00	11.00	11.00	11.00
567	11.00	11.00	11.00	11.00	11.00	11.00
568	11.00	11.00	11.00	11.00	11.00	11.00
592	12.00	12.00	12.00	12.00	12.00	12.00
593	12.00	12.00	12.00	12.00	12.00	12.00
617	12.00	12.00	12.00	12.00	12.00	12.00
618	12.00	12.00	12.00	12.00	12.00	12.00
642	13.00	13.00	13.00	13.00	13.00	13.00
643	13.00	13.00	13.00	13.00	13.00	13.00
667	13.00	13.00	13.00	13.00	13.00	13.00
668	13.00	13.00	13.00	13.00	13.00	13.00
692	11.00	14.00	14.00	14.00	14.00	14.00
693	11.00	14.00	14.00	14.00	14.00	14.00
717	9.00	14.00	14.00	14.00	14.00	14.00



718	9.00	14.00	14.00	14.00	14.00	14.00
742	7.00	13.00	15.00	15.00	15.00	15.00
743	7.00	13.00	15.00	15.00	15.00	15.00
767	5.00	11.00	15.00	15.00	15.00	15.00
768	5.00	11.00	15.00	15.00	15.00	15.00
792	3.00	9.00	15.00	16.00	16.00	16.00
793	3.00	9.00	15.00	16.00	16.00	16.00
817	1.00	7.00	13.00	16.00	16.00	16.00
818	1.00	7.00	13.00	16.00	16.00	16.00
842	—	5.00	11.00	17.00	17.00	17.00
843	—	5.00	11.00	17.00	17.00	17.00
867	—	3.00	9.00	15.00	17.00	17.00
868	—	3.00	9.00	15.00	17.00	17.00
892	—	1.00	7.00	13.00	18.00	18.00
893	—	1.00	7.00	13.00	18.00	18.00
917	—	—	5.00	11.00	17.00	18.00
918	—	—	5.00	11.00	17.00	18.00
942	—	—	3.00	9.00	15.00	19.00
943	—	—	3.00	9.00	15.00	19.00
967	—	—	1.00	7.00	13.00	19.00
968	—	—	1.00	7.00	13.00	19.00
1128	—	—	—	—	—	6.00
1129	—	—	—	—	—	6.00
1204	—	—	—	—	—	—
1205	—	—	—	—	—	—

## Fortnightly Medicare levy adjustment

Fortnightly earnings \$	Spouse only \$	1 child \$	2 children \$	3 children \$	4 children \$	5 children \$
788	—	—	—	—	—	—
790	—	—	—	—	—	—
886	10.00	10.00	10.00	10.00	10.00	10.00
888	10.00	10.00	10.00	10.00	10.00	10.00
984	20.00	20.00	20.00	20.00	20.00	20.00
986	20.00	20.00	20.00	20.00	20.00	20.00
1034	20.00	20.00	20.00	20.00	20.00	20.00
1036	20.00	20.00	20.00	20.00	20.00	20.00
1084	22.00	22.00	22.00	22.00	22.00	22.00
1086	22.00	22.00	22.00	22.00	22.00	22.00
1134	22.00	22.00	22.00	22.00	22.00	22.00
1136	22.00	22.00	22.00	22.00	22.00	22.00
1184	24.00	24.00	24.00	24.00	24.00	24.00
1186	24.00	24.00	24.00	24.00	24.00	24.00
1234	24.00	24.00	24.00	24.00	24.00	24.00
1236	24.00	24.00	24.00	24.00	24.00	24.00
1284	26.00	26.00	26.00	26.00	26.00	26.00
1286	26.00	26.00	26.00	26.00	26.00	26.00
1334	26.00	26.00	26.00	26.00	26.00	26.00
1336	26.00	26.00	26.00	26.00	26.00	26.00
1384	22.00	28.00	28.00	28.00	28.00	28.00
1386	22.00	28.00	28.00	28.00	28.00	28.00
1434	18.00	28.00	28.00	28.00	28.00	28.00
1436	18.00	28.00	28.00	28.00	28.00	28.00
1484	14.00	26.00	30.00	30.00	30.00	30.00
1486	14.00	26.00	30.00	30.00	30.00	30.00

1534	10.00	22.00	30.00	30.00	30.00	30.00
1536	10.00	22.00	30.00	30.00	30.00	30.00
1584	6.00	18.00	30.00	32.00	32.00	32.00
1586	6.00	18.00	30.00	32.00	32.00	32.00
1634	2.00	14.00	26.00	32.00	32.00	32.00
1636	2.00	14.00	26.00	32.00	32.00	32.00
1684	—	10.00	22.00	34.00	34.00	34.00
1686	—	10.00	22.00	34.00	34.00	34.00
1734	—	6.00	18.00	30.00	34.00	34.00
1736	—	6.00	18.00	30.00	34.00	34.00
1784	—	2.00	14.00	26.00	36.00	36.00
1786	—	2.00	14.00	26.00	36.00	36.00
1834	—	—	10.00	22.00	34.00	36.00
1836	—	—	10.00	22.00	34.00	36.00
1884	—	—	6.00	18.00	30.00	38.00
1886	—	—	6.00	18.00	30.00	38.00
1934	—	—	2.00	14.00	26.00	38.00
1936	—	—	2.00	14.00	26.00	38.00
2256	—	—	—	—	—	12.00
2258	—	—	—	—	—	12.00
2408	—	—	—	—	—	—
2410	—	—	—	—	—	—

## Monthly Medicare levy adjustment

Monthly earnings \$	Spouse only \$	1 child \$	2 children \$	3 children \$	4 children \$	5 children \$
1707.33	—	—	—	—	—	—
1711.67	—	—	—	—	—	—
1919.67	22.00	22.00	22.00	22.00	22.00	22.00
1924.00	22.00	22.00	22.00	22.00	22.00	22.00

2132.00	43.00	43.00	43.00	43.00	43.00	43.00
2136.33	43.00	43.00	43.00	43.00	43.00	43.00
2240.33	43.00	43.00	43.00	43.00	43.00	43.00
2244.67	43.00	43.00	43.00	43.00	43.00	43.00
2348.67	48.00	48.00	48.00	48.00	48.00	48.00
2353.00	48.00	48.00	48.00	48.00	48.00	48.00
2457.00	48.00	48.00	48.00	48.00	48.00	48.00
2461.33	48.00	48.00	48.00	48.00	48.00	48.00
2565.33	52.00	52.00	52.00	52.00	52.00	52.00
2569.67	52.00	52.00	52.00	52.00	52.00	52.00
2673.67	52.00	52.00	52.00	52.00	52.00	52.00
2678.00	52.00	52.00	52.00	52.00	52.00	52.00
2782.00	56.00	56.00	56.00	56.00	56.00	56.00
2786.33	56.00	56.00	56.00	56.00	56.00	56.00
2890.33	56.00	56.00	56.00	56.00	56.00	56.00
2894.67	56.00	56.00	56.00	56.00	56.00	56.00
2998.67	48.00	61.00	61.00	61.00	61.00	61.00
3003.00	48.00	61.00	61.00	61.00	61.00	61.00
3107.00	39.00	61.00	61.00	61.00	61.00	61.00
3111.33	39.00	61.00	61.00	61.00	61.00	61.00
3215.33	30.00	56.00	65.00	65.00	65.00	65.00
3219.67	30.00	56.00	65.00	65.00	65.00	65.00
3323.67	22.00	48.00	65.00	65.00	65.00	65.00
3328.00	22.00	48.00	65.00	65.00	65.00	65.00
3432.00	13.00	39.00	65.00	69.00	69.00	69.00
3436.33	13.00	39.00	65.00	69.00	69.00	69.00
3540.33	4.00	30.00	56.00	69.00	69.00	69.00
3544.67	4.00	30.00	56.00	69.00	69.00	69.00
3648.67	—	22.00	48.00	74.00	74.00	74.00
3653.00	—	22.00	48.00	74.00	74.00	74.00

3757.00	—	13.00	39.00	65.00	74.00	74.00
3761.33	—	13.00	39.00	65.00	74.00	74.00
3865.33	—	4.00	30.00	56.00	78.00	78.00
3869.67	—	4.00	30.00	56.00	78.00	78.00
3973.67	—	—	22.00	48.00	74.00	78.00
3978.00	—	—	22.00	48.00	74.00	78.00
4082.00	—	—	13.00	39.00	65.00	82.00
4086.33	—	—	13.00	39.00	65.00	82.00
4190.33	—	—	4.00	30.00	56.00	82.00
4194.67	—	—	4.00	30.00	56.00	82.00
4888.00	—	—	—	—	—	26.00
4892.33	—	—	—	—	—	26.00
5217.33	—	—	—	—	—	—
5221.67	—	—	—	—	—	—

# Sample data – Scale 6

## Weekly Medicare half-levy adjustment

Weekly earnings \$	1 child \$	2 children \$	3 children \$	4 children \$	5 children \$
659	—	—	—	—	—
660	—	—	—	—	—
742	4.00	4.00	4.00	4.00	4.00
743	4.00	4.00	4.00	4.00	4.00
825	8.00	8.00	8.00	8.00	8.00
826	3.00	6.00	8.00	8.00	8.00
840	2.00	5.00	8.00	8.00	8.00
841	2.00	5.00	8.00	8.00	8.00
855	2.00	5.00	8.00	9.00	9.00
856	2.00	5.00	8.00	9.00	9.00
870	1.00	4.00	7.00	9.00	9.00
871	1.00	4.00	7.00	9.00	9.00
885	1.00	4.00	7.00	9.00	9.00
886	1.00	4.00	7.00	9.00	9.00
900	—	3.00	6.00	9.00	9.00
901	—	3.00	6.00	9.00	9.00
915	—	2.00	6.00	9.00	9.00
916	—	2.00	5.00	9.00	9.00
930	—	2.00	5.00	8.00	9.00
931	—	2.00	5.00	8.00	9.00
945	—	1.00	4.00	7.00	9.00
946	—	1.00	4.00	7.00	9.00
960	—	1.00	4.00	7.00	10.00
961	—	1.00	4.00	7.00	10.00
975	—	—	3.00	6.00	9.00

976	—	—	3.00	6.00	9.00
990	—	—	3.00	6.00	9.00
991	—	—	2.00	6.00	9.00
1005	—	—	2.00	5.00	8.00
1006	—	—	2.00	5.00	8.00
1020	—	—	1.00	4.00	7.00
1021	—	—	1.00	4.00	7.00
1035	—	—	1.00	4.00	7.00
1036	—	—	1.00	4.00	7.00
1050	—	—	—	3.00	6.00
1051	—	—	—	3.00	6.00
1065	—	—	—	3.00	6.00
1066	—	—	—	3.00	6.00
1080	—	—	—	2.00	5.00
1081	—	—	—	2.00	5.00
1095	—	—	—	1.00	4.00
1096	—	—	—	1.00	4.00
1110	—	—	—	1.00	4.00
1111	—	—	—	1.00	4.00
1128	—	—	—	—	3.00
1129	—	—	—	—	3.00
1204	—	—	—	—	—
1205	—	—	—	—	—

## Fortnightly Medicare half-levy adjustment

Fortnightly earnings \$	1 child \$	2 children \$	3 children \$	4 children \$	5 children \$
1318	—	—	—	—	—
1320	—	—	—	—	—
1484	8.00	8.00	8.00	8.00	8.00

1486	8.00	8.00	8.00	8.00	8.00
1650	16.00	16.00	16.00	16.00	16.00
1652	6.00	12.00	16.00	16.00	16.00
1680	4.00	10.00	16.00	16.00	16.00
1682	4.00	10.00	16.00	16.00	16.00
1710	4.00	10.00	16.00	18.00	18.00
1712	4.00	10.00	16.00	18.00	18.00
1740	2.00	8.00	14.00	18.00	18.00
1742	2.00	8.00	14.00	18.00	18.00
1770	2.00	8.00	14.00	18.00	18.00
1772	2.00	8.00	14.00	18.00	18.00
1800	—	6.00	12.00	18.00	18.00
1802	—	6.00	12.00	18.00	18.00
1830	—	4.00	12.00	18.00	18.00
1832	—	4.00	10.00	18.00	18.00
1860	—	4.00	10.00	16.00	18.00
1862	—	4.00	10.00	16.00	18.00
1890	—	2.00	8.00	14.00	18.00
1892	—	2.00	8.00	14.00	18.00
1920	—	2.00	8.00	14.00	20.00
1922	—	2.00	8.00	14.00	20.00
1950	—	—	6.00	12.00	18.00
1952	—	—	6.00	12.00	18.00
1980	—	—	6.00	12.00	18.00
1982	—	—	4.00	12.00	18.00
2010	—	—	4.00	10.00	16.00
2012	—	—	4.00	10.00	16.00
2040	—	—	2.00	8.00	14.00
2042	—	—	2.00	8.00	14.00
2070	—	—	2.00	8.00	14.00



2072	—	—	2.00	8.00	14.00
2100	—	—	—	6.00	12.00
2102	—	—	—	6.00	12.00
2130	—	—	—	6.00	12.00
2132	—	—	—	6.00	12.00
2160	—	—	—	4.00	10.00
2162	—	—	—	4.00	10.00
2190	—	—	—	2.00	8.00
2192	—	—	—	2.00	8.00
2220	—	—	—	2.00	8.00
2222	—	—	—	2.00	8.00
2256	—	—	—	—	6.00
2258	—	—	—	—	6.00
2408	—	—	—	—	—
2410	—	—	—	—	—

## Monthly Medicare half-levy adjustment

Monthly earnings \$	1 child \$	2 children \$	3 children \$	4 children \$	5 children \$
2855.67	—	—	—	—	—
2860.00	—	—	—	—	—
3215.33	17.00	17.00	17.00	17.00	17.00
3219.67	17.00	17.00	17.00	17.00	17.00
3575.00	35.00	35.00	35.00	35.00	35.00
3579.33	13.00	26.00	35.00	35.00	35.00
3640.00	9.00	22.00	35.00	35.00	35.00
3644.33	9.00	22.00	35.00	35.00	35.00
3705.00	9.00	22.00	35.00	39.00	39.00
3709.33	9.00	22.00	35.00	39.00	39.00
3770.00	4.00	17.00	30.00	39.00	39.00

3774.33	4.00	17.00	30.00	39.00	39.00
3835.00	4.00	17.00	30.00	39.00	39.00
3839.33	4.00	17.00	30.00	39.00	39.00
3900.00	—	13.00	26.00	39.00	39.00
3904.33	—	13.00	26.00	39.00	39.00
3965.00	—	9.00	26.00	39.00	39.00
3969.33	—	9.00	22.00	39.00	39.00
4030.00	—	9.00	22.00	35.00	39.00
4034.33	—	9.00	22.00	35.00	39.00
4095.00	—	4.00	17.00	30.00	39.00
4099.33	—	4.00	17.00	30.00	39.00
4160.00	—	4.00	17.00	30.00	43.00
4164.33	—	4.00	17.00	30.00	43.00
4225.00	—	—	13.00	26.00	39.00
4229.33	—	—	13.00	26.00	39.00
4290.00	—	—	13.00	26.00	39.00
4294.33	—	—	9.00	26.00	39.00
4355.00	—	—	9.00	22.00	35.00
4359.33	—	—	9.00	22.00	35.00
4420.00	—	—	4.00	17.00	30.00
4424.33	—	—	4.00	17.00	30.00
4485.00	—	—	4.00	17.00	30.00
4489.33	—	—	4.00	17.00	30.00
4550.00	—	—	—	13.00	26.00
4554.33	—	—	—	13.00	26.00
4615.00	—	—	—	13.00	26.00
4619.33	—	—	—	13.00	26.00
4680.00	—	—	—	9.00	22.00
4684.33	—	—	—	9.00	22.00
4745.00	—	—	—	4.00	17.00

4749.33	—	—	—	4.00	17.00
4810.00	—	—	—	4.00	17.00
4814.33	—	—	—	4.00	17.00
4888.00	—	—	—	—	13.00
4892.33	—	—	—	—	13.00
5217.33	—	—	—	—	—
5221.67	—	—	—	—	—

## Other statements of formulas

Statements of formulas for other classes of payees are also available. These include PAYG withholding:

- [Statement of formulas for calculating Higher Education Loan Program \(HELP\), Trade Support Loan \(TSL\) and Student Financial Supplement Scheme \(SFSS\) components](#) (NAT 3539)
- [Tax table for individuals employed in the horticultural or shearing industry](#) (NAT 1013)
- [Tax table for actors, variety artists and other entertainers](#) (NAT 1023)
- [Tax table for seniors and pensioners](#) (NAT 4466).

## Tax file number (TFN) declarations

The answers your employees provide on their [Tax file number declaration](#) (NAT 3092) determine the amount you need to withhold from their payments. A *Tax file number declaration* applies to any 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 of the employee and send it to us.

## When a TFN has not been provided

You must withhold 49% from any payment you make to a resident employee and 47% 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 have 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](#) (NAT 1432) 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 49% from any payment you make to a resident employee and 47% from a foreign resident employee (ignoring any cents) unless we tell you not to.

Do not allow for any tax offsets or Medicare levy adjustments. Do not withhold any amount for:

- Higher Education Loan Program (HELP) debts
- Trade Support Loan (TSL) debts
- Financial Supplement debts.

## When your employee is a foreign resident

If your employee has answered **no** to the question 'Are you an Australian resident for tax purposes?' on their *Tax file number declaration*, you will need to use the foreign resident tax rates.

There are two ways you can withhold from a foreign resident's earnings:

- If they have given you a valid TFN, use scale 3.
- If they have not given you a valid TFN, use scale 4.

Foreign residents cannot claim tax offsets to reduce withholding. They may, in limited circumstances, be entitled to claim a zone or overseas forces offset in their income tax return. If your foreign resident employee has claimed a tax offset on the *Tax file number declaration*, you don't need to make any adjustments to the amount you withhold.

## Withholding declarations

An employee may use a [Withholding declaration](#) (NAT 3093) to advise you of a tax offset they choose to claim through reduced withholding from you.

Employees can also use a *Withholding declaration* to advise you of any changes to their situation that may affect the amount you need to withhold from their payments.

Changes that may affect the amount you need to withhold include:

- becoming or ceasing to be an Australian resident for tax purposes
- claiming or discontinuing a claim for the tax-free threshold
- advising of a HELP, TSL or Financial Supplement debt, or changes to them
- entitlement to a seniors and pensioners tax offset.

When your employee provides you with a *Withholding declaration* it will take effect from the next payment you make. If you receive an updated declaration from an employee, it will replace the previous one.

An employee must have provided you with a valid *Tax file number declaration* before they can provide you with a *Withholding declaration*.

## When your employee has a HELP, TSL or Financial Supplement debt

If your employee has a HELP, TSL or Financial Supplement debt, you may need to withhold additional amounts from their payments. Your employee will need to notify you of this on their *Tax file number declaration* or *Withholding declaration*.

## Work it out

To calculate additional withholding amounts for:

- HELP or TSL debts, refer to either
  - [HELP/TSL weekly tax table](#) (NAT 2173)
  - [HELP/TSL fortnightly tax table](#) (NAT 2185)
  - [HELP/TSL monthly tax table](#) (NAT 2186)
- Financial Supplement debts, refer to either
  - [SFSS weekly tax table](#) (NAT 3306)
  - [SFSS fortnightly tax table](#) (NAT 3307)
  - [SFSS monthly tax table](#) (NAT 3308)
- Statement of formulas, refer to
  - [Statement of formulas for calculating Higher Education Loan Program \(HELP\), Trade Support Loan \(TSL\) and Student Financial Supplement Scheme \(SFSS\) components](#) (NAT 3539)

Employees who are entitled to a reduction of Medicare levy or do not have to pay the Medicare levy because of low family income, will not have to make a compulsory HELP, TSL or Financial Supplement repayment for that year. The exemption from making a compulsory HELP, TSL or Financial Supplement repayment may be claimed on the *Medicare levy variation declaration*.

## Allowances

Generally, allowances are added to normal earnings and the amount to withhold is calculated on the total amount of earnings and allowances.

### Find out more

[Withholding from allowances](#)

## Leave loading

If you pay leave loading as a lump sum, use [Tax table for back payments, commissions, bonuses and similar payments](#) (NAT 3348) to calculate withholding.

If you pay leave loading on a pro-rata basis, add the leave loading payment to earnings for that period to calculate withholding.

# Holiday pay, long service leave and employment termination payments

## Employees who continue working for you

You must include holiday pay (including any leave loading) and long service leave payments as part of normal earnings, except when they are paid on termination of employment.

### Find out more

[Withholding from annual and long service leave for continuing employees](#)

## Employees who stop working for you

This schedule does not cover any lump sum payments made to an employee who stops working for you.

If an employee has unused annual leave, leave loading or long service leave, refer to [Tax table for unused leave payments on termination of employment](#) (NAT 3351).

Any other lump sum payments may be employment termination payments, refer to [Tax table for employment termination payments](#) (NAT 70980).

Do not withhold any amount for HELP, TSL or Financial Supplement debts from lump sum termination payments.

## Claiming tax offsets

If your employee chooses to claim their entitlement to a tax offset through reduced withholding, they must provide you with a *Withholding declaration*.

To work out the employee's annual tax offset entitlement into a weekly, fortnightly, monthly or quarterly, refer to [Tax offsets](#).

Do not allow for any tax offsets if any of the following apply:

- where no tax-free threshold is claimed
- you are using foreign resident rates
- when an employee does not provide you with their TFN.

## Medicare levy adjustment

To claim the Medicare levy adjustment available to some low income earners with dependants, your employee must lodge a [Medicare levy variation declaration](#) (NAT 0929) with their *Tax file number declaration*.

Some employees may be liable for an increased rate of Medicare levy or the Medicare levy surcharge as a result of new income tests. They can lodge a *Medicare levy variation declaration*, requesting you to increase the amount to be withheld from their payments.

**Work it out**

[Medicare levy adjustment](#)



# Schedule 2 - Tax table for individuals employed in the horticultural or shearing industry

For payments made on or after 1 July 2015

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* (TAA). It applies to withholding payments covered by sections 12-35 of Schedule 1 to the TAA.

Use the Withholding look-up tool to quickly [work out the amount to withhold](#).

## Using this table

You should use this table if you make payments to individuals in the horticultural industry who:

- work in any process associated with the production, cultivation or harvest of a horticultural crop
- perform the process on the grower's property
- do not work for the same grower for a continuous period exceeding six months
- have given you a valid [Tax file number declaration](#) (NAT 3092) and have claimed the tax-free threshold.

Also use this table if you make payments to individuals in the shearing industry such as shearers, crutchers, wool classers, cooks, shed hands and pressers who:

- have given you a valid *Tax file number declaration* (NAT 3092) and have claimed the tax-free threshold
- do not work for the same employer for a continuous period exceeding six months.

For all other circumstances use the relevant PAYG withholding weekly or fortnightly tax table.

### Get it done

You can download a printable version of [Tax table for individuals employed in the horticultural or shearing industry](#) (NAT 1013, 519KB) in Portable Document Format (PDF).

If you employ individuals under the Seasonal labour mobility program this tax table does not apply. For these individuals you are required to withhold at 15%.

For more information about the program, refer to [Seasonal labour mobility program – frequently asked questions for approved employers](#).

# Working out the withholding amount

To work out the amount you need to withhold you must

1. Input your employees total earnings into the [Withholding look-up tool](#).
2. Use the appropriate column to find the correct amount to withhold
  - **column 2** if the resident employee has given you a TFN
  - **column 3** if the resident employee has not given you a TFN
  - **column 4** if the foreign resident employee has given you a TFN
  - **column 5** if the foreign resident employee has not given you a TFN.

## Example

An employee has earnings of \$231.50.

To work out the correct amount to withhold, ignore cents, input \$231 into the *Withholding look-up tool*.

If the employee is:

- a resident employee and has given you a TFN use column 2 to find the correct amount to withhold (\$30)
- a resident employee and has not given you a TFN use column 3 to find the correct amount to withhold (\$113)
- a foreign employee and has given you a TFN use column 4 to find the correct amount to withhold (\$75)
- a foreign employee and has not given you a TFN use column 5 to find the correct amount to withhold (\$108).

## Resident employees

The standard rate of withholding of 13% applies where an employee has given you a valid TFN and you withhold amounts using the figures shown in column 2 of the *Withholding look-up tool*.

If the employee has not given you a valid TFN, you must withhold amounts using the figures shown in column 3 of the *Withholding look-up tool*.

## When your employee is a foreign resident

If your employee has answered **no** to the question 'Are you an Australian resident for tax purposes?' on their *Tax file number declaration*, you will need to use the foreign resident tax rates.

Where an employee has given you a valid TFN, you withhold amounts using the figures shown in column 4 of the [Withholding look-up tool](#). If the employee has not given you a valid

TFN, you must withhold amounts using the figures shown in column 5 of the [Withholding look-up tool](#).

Foreign residents cannot claim tax offsets to reduce withholding. They may, in limited circumstances, be entitled to claim a zone or overseas forces offset in their income tax return. If your foreign resident employee has claimed a tax offset on the *Tax file number declaration*, you don't need to make any adjustments to the amount you withhold.

## Pay period

The rates in this tax table apply irrespective of the pay period.

## Using a formula

The withholding amounts shown in this table can be expressed in mathematical form.

If you have developed your own payroll software package, you can use the formulas and coefficients outlined below.

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

- $y$  is the amount to be withheld expressed in dollars
- $x$  is earnings for the pay period, ignoring any cents
- $a$  is the value of the coefficient as shown in table A.

Table A: Resident or foreign resident rate

	Resident – a	Foreign resident – a
Tax file number	0.13	0.325
No tax file number	0.49	0.47

## Rounding of withholding amounts

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

## Accounting software

Software written in accordance with the formulas in this tax table should be tested for accuracy against the [Withholding look-up tool](#). The results obtained when using the coefficients in this table may differ slightly from the *Withholding look-up tool*. The differences result from the rounding of components.

# Tax file number declarations

The answers your employees provide on their [Tax file number declaration](#) (NAT 3092) determine the amount you need to withhold from their payments. A *Tax file number declaration* applies to any 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 of the employee and send it to us.

## When a TFN has not been provided

You must withhold 49% from any payment you make to a resident employee and 47% 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 have 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](#) (NAT 1432) 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 49% from any payment you make to a resident employee and 47% from a foreign resident employee (ignoring any cents) unless we tell you not to.

Do not allow for any tax offsets or Medicare levy adjustment. Do not withhold any amount for:

- Higher Education Loan Program (HELP) debts
- Trade Support Loan (TSL) debts
- Financial Supplement debts.

## Varying your PAYG withholding

If your employee believes that for their circumstances the amount you withhold will be too much, they may apply to us for a variation to reduce the amount of withholding.

### Find out more

For more information, refer to [PAYG withholding – varying your PAYG withholding](#).

# Schedule 3 – Tax table for actors, variety artists and other entertainers

For payments made on or after 1 July 2015

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* (TAA). It applies to withholding payments covered by section 12-35 of Schedule 1 to the TAA.

Use the Withholding look-up tool to quickly [work out the amount to withhold](#).

## Using this table

You should use this table if you make payments to employees who are actors, variety artists and other entertainers who receive payments for their performances.

Do not use this table if you make payments to employees, or other individuals engaged under a contract, to perform in a promotional activity that is any one of the following:

- conducted in the presence of an audience
- intended to be communicated to an audience by print or electronic media
- for a film or tape
- for a television or radio broadcast.

For these types of payments the Commissioner has varied the rate of withholding to 20% of the payment.

### Find out more

For more information refer to [PAYG withholding – performing artists and promotional activities](#).

### Get it done

You can download a printable version of the [Tax table for actors, variety artists and other entertainers](#) (NAT 1023, 490KB) in Portable Document Format (PDF).

For all other relevant employees, refer to PAYG withholding [Weekly tax table](#) or [Fortnightly tax table](#).

Do not use this table for payments made to foreign residents engaged as contractors. These payments are subject to foreign resident withholding.

### Find out more

For more information refer to [Withholding from payments to foreign residents for entertainment or sports activities](#).

# Working out the withholding amount

The tax table for actors, variety artists and other entertainers is only applicable to those who have three performances per week and have claimed the tax-free threshold. If the number of performances per week is different, or the employee has not claimed the tax-free threshold, use the [formulas](#) to calculate withholding amounts.

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

1. Ignore any cents, input the employee's daily earnings into the [Withholding look-up tool](#) and refer to the corresponding amount to be withheld in column 2.
2. If the employee has claimed any tax offsets, see [Claiming tax offsets](#) to work out the daily value of the amount claimed. Subtract the daily value of the tax offsets from the amount found in step 1.

## Example

An employee has claimed the tax-free threshold, earns \$279.35 daily, works three performances this week and claims tax offsets of \$500. Ignoring cents, input \$279 into the Withholding look-up tool and refer to the corresponding amount to be withheld in column 2 of \$24.00. Reduce this amount by the daily value of the tax offsets of \$3.00 (\$500 ÷ 52 ÷ 3 rounded to the nearest dollar).

The amount to withhold is \$21.00 (\$24.00 – \$3.00).

# Using a formula

The withholding amounts shown in this table can be expressed in a mathematical form.

If you have developed your own payroll software package, you can use the formulas and the coefficients outlined in [table A](#) and [table B](#).

This section should be read with [Statement of formulas for calculating amounts to be withheld](#) (NAT 1004).

The formulas comprise linear equations of the form  $y = ax - b$  where:

- $y$  is the weekly withholding amount expressed in dollars
- $x$  is the weekly earnings rounded down to whole dollars plus 99 cents, and
- $a$  and  $b$  are the values of the coefficient for the formulas as shown in tables A and B.

Table A: Employee has claimed the tax-free threshold

Weekly earnings (x) less than	a	b
\$443	—	—
\$493	0.1520	67.4635

\$617	0.2320	106.9673
\$889	0.1680	67.4642
\$1,602	0.2782	165.4431
\$1,923	0.2760	161.9815
\$4,326	0.3120	231.2123
\$4,326 and over	0.3920	577.3662

**Table B: Employee has not claimed the tax-free threshold**

<b>Weekly earnings (x) less than</b>	<b>a</b>	<b>b</b>
\$56	0.1520	0.1520
\$451	0.1857	1.8961
\$1,165	0.2782	43.6900
\$1,485	0.2760	41.1734
\$3,889	0.3120	94.6542
\$3,889 and over	0.3920	405.8080

To work out withholding amounts using the formulas, you must:

1. Ignore any cents, multiply the per performance earnings by the number of performances for the week to derive the weekly equivalent. Add 99 cents to the result.
2. Calculate the weekly amount by applying the relevant coefficients from table A or B above, rounding to the nearest dollar.
3. Divide this amount by the number of performances for the week to work out the per performance withholding amount. Multiply this amount by the number of performances per day to convert it to the daily earnings equivalent. Round the daily withholding amount to the nearest dollar.

If you pay your employees daily rather than per performance, the amount to withhold (including reductions for tax offsets) should be worked out on a daily basis.

### **Example**

Sandra has two performances for the week, one on Thursday and one on Saturday. Sandra earns \$500.35 for each performance. She has claimed the tax-free threshold.

1.  $\$500 \times 2 = \$1,000$ . Add 99 cents to the result = \$1,000.99.
2.  $\$1,000.99 \times 0.2782 - 165.4431 = \$113.0323$ . Round to the nearest dollar = \$113.
3.  $\$113 \div 2 = \$56.50$ . Round to the nearest dollar = \$57.

Therefore, the amount to withhold from each performance is \$57. As there is only one performance per day, the daily withholding amount is the same as the per performance withholding amount.

## Accounting software

Software written in accordance with the formulas in this table should be tested for accuracy against the [Withholding look-up tool](#). The results obtained when using the coefficients in this table may differ slightly from the *Withholding look-up tool*. The differences result from the rounding of components.

## 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 any 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 *Tax file number declaration* with all available details of the employee and send it to us.

## When a TFN has not been provided

You must withhold 49% from any payment you make to a resident employee and 47% 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 have 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](#) (NAT 1432) with us, they have **28 days** to provide you with their TFN.

If an employee has not given you their TFN within **28 days**, you must withhold 49% from any payment you make to a resident employee and 47% from a foreign resident employee (ignoring any cents) unless we tell you not to.

Do not allow for any tax offsets or Medicare levy adjustment. Do not withhold any amount for:

- Higher Education Loan Program (HELP) debts
- Trade Support Loan (TSL) debts
- Financial Supplement debts.

## Claiming tax offsets

If your employee chooses to claim their entitlement to a tax offset through reduced withholding, they must provide you with a [Withholding declaration](#) (NAT 3093).



If your employee claims a tax offset, reduce the amount to be withheld from their earnings per performance by the value of the tax offset. The per performance value is the tax offset amount claimed divided by 52, divided by the number of performances per week. Round to the nearest dollar.

Do not allow for any tax offsets if any of the following apply:

- when no TFN has been provided
- you are using foreign resident rates
- the payee has not claimed the tax-free threshold.

## Withholding declarations

An employee may use a [Withholding declaration](#) (NAT 3093) to advise you of a tax offset they choose to claim through reduced withholding from you. For more information, see [Claiming tax offsets](#).

Employees can also use a *Withholding declaration* to advise you of any changes to their situation that may affect the amount you need to withhold from their payments.

Changes that may affect the amount you need to withhold include:

- becoming or ceasing to be an Australian resident for tax purposes
- claiming or discontinuing a claim for the tax-free threshold
- advising of a HELP, TSL or Financial Supplement debt, or changes to them.

When your employee provides you with a *Withholding declaration* it will take effect from the next payment you make. If you receive an updated declaration from an employee, it will replace the previous one.

An employee must have provided you with a valid *Tax file number declaration* before they can provide you with a *Withholding declaration*.

## When your employee is a foreign resident

If your employee has answered **no** to the question 'Are you an Australian resident for tax purposes?' on their *Tax file number declaration*, you will need to use the foreign resident tax rates.

There are two ways you can withhold from a foreign resident's earnings:

- if they have not given you a valid TFN, you need to withhold 47% for each \$1 of earnings (ignoring any cents).
- if they have given you a valid TFN, you need to withhold the amount calculated using the foreign resident tax rates, rounding any cents to the nearest dollar.

## Foreign resident tax rates

Weekly earnings \$	Weekly rate
0 to 1,538	32.5 cents for each dollar of earnings
1,539 to 3,462	\$500 plus 37 cents for each \$1 of earnings over \$1,538
3,463 and over	\$1,212 plus 47 cents for each \$1 of earnings over \$3,462

Foreign residents cannot claim tax offsets to reduce withholding. They may, in limited circumstances, be entitled to claim a zone or overseas forces offset in their income tax return. If your foreign resident employee has claimed a tax offset on the *Tax file number declaration*, you don't need to make any adjustments to the amount you withhold.

# Schedule 5 – Tax table for back payments, commissions, bonuses and similar payments

For payments made on or after 1 July 2015

## Withholding limit

There is a withholding limit of 49% on tax withheld from any additional payments calculated using an annualised method.

Applying this withholding limit may result in withholding not being sufficient to cover some employees' end of year tax liability. In these situations, an employee can ask their employer to increase their withholding for the remainder of the financial year.

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 certain withholding payments covered by Subdivisions 12-B (except sections 12-50 and 12-55), 12-C (except sections 12-85 and 12-90) and 12-D of Schedule 1 paid as a lump sum.

## Using this table

Use this table if you make a payment of salary or wages which is:

- a back payment (including lump sum payments in arrears)
- a commission
- a bonus or similar payment.

## Other payments you should use this tax table for

These payments include back payments of:

- compensation or sickness or accident payments for an incapacity for work that are not tax exempt
- Australian Government education or training payments – for example, Austudy or ABSTUDY
- assessable pensions, benefits and allowances under the *Social Security Act 1991* or the *Veterans' Entitlements Act 1986*, or similar payments made under a law of a foreign country, state or province.

## Back payments (including lump sums in arrears)

A back payment is a payment that was meant to have been made in a prior period. For example:

- your employee's wages were underpaid due to an error or oversight

- an allowance you were due to pay in July was overlooked and you made the payment in December.

A back payment is distinct from a bonus, which is a payment made for recognition of performance including past performance. A bonus (or similar payment) can only be considered a back payment if you paid the bonus later than the time that it should have been paid.

If you normally process payments in a pay period later than the work is performed, for example, overtime payments paid with a time lag of one pay period, they are not considered back payments. These payments are treated as part of the normal pay cycle when paid and withholding is calculated on total earnings for that period. An overtime payment is only considered a back payment if it was meant to have been made in a prior pay period.

## Commissions

Commissions are typically payments made as recognition of performance or service, and may be calculated as a percentage of the proceeds from a particular transaction or series of transactions.

## Bonuses and similar payments

A bonus is usually made to an employee in recognition of performance or services, and may be calculated as a percentage of the proceeds from a particular business transaction. These payments may not necessarily be related to a particular period of work.

A payment will be treated as similar to a bonus if it is an amount of a one-off nature that does not relate to work performed in a particular period. Examples include:

- a once-only payment made to a payee as compensation for a changed work location
- an amount paid as a sign-on bonus to a payee entering a workplace agreement
- any lump sum allowance.

## Leave loading

Payment of leave loading can also be regarded as a payment similar to a bonus, if it is made as a lump sum and not on a pro rata basis as leave is taken. If you pay leave loading on a pro rata basis, add it to earnings for the period to calculate withholding using the standard tax tables.

## Tax file number (TFN) declarations

The answers your employees provide on their [Tax file number declaration](#) (NAT 3092) determine the amount you need to withhold from their payments. A *Tax file number declaration* applies to any 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 of the employee and send it to us.

## When a TFN has not been provided

You must withhold 49% from any payment you make to a resident employee and 47% 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 have 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](#) (NAT 1432) 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 49% from any payment you make to a resident employee and 47% from a foreign resident employee (ignoring any cents) unless we tell you not to.

Do not allow for tax offsets or Medicare levy adjustment. Do not withhold any amount for:

- Higher Education Loan Program (HELP) debts
- Trade Support Loan (TSL) debts
- Financial Supplement debts.

## Terms we use

### Additional payments

Additional payments include back payments (including lump sum payments in arrears), commissions, bonuses and similar payments.

### Normal earnings

Normal earnings are gross taxable earnings and include all salary and wage income, taxable allowances, and overtime earnings for the current financial year. This includes any back payments previously made using [Method B\(i\)](#).

At the start of a financial year, an employee's normal earnings can be based on the last full pay period worked in the previous financial year.

If an employee's pay fluctuates significantly, you can use an average of gross taxable earnings for the current financial year (or, if applicable, the previous financial year).

If an employee has no current or past normal earnings (for example, the employee is newly employed), you can include expected future earnings in your calculations. This can be based on the employee's contracted or expected salary for the financial year.

For the purposes of this table, normal earnings do not include employment termination payments or unused leave payments made on termination of employment.

## Average total earnings

Average total earnings are the sum of all normal earnings paid in the current financial year, including current pay, plus any current year back payments if [Method B\(i\)](#) is used to calculate withholding. Then divide the total earnings by the number of pay periods to date (including the current pay period).

## Pay periods per financial year

Pay periods per financial year refers to a total of 52 pay periods if paid weekly, 26 pay periods if paid fortnightly or 12 pay periods if paid monthly. No adjustments are required for a 53 week / 27 fortnight year.

## Withholding limit

If your employee has a Higher Education Loan Program (HELP), Trade Support Loan (TSL) or Financial Supplement debt, see [HELP, TSL, SFSS and additional payments](#).

If you use [Method A](#) or [Method B\(ii\)](#), the amount of tax to be withheld from an additional payment is limited to a maximum of 49% of the additional payment. If the withholding amount calculated (including a HELP, TSL or Financial Supplement component) using [Method A](#) or [Method B\(ii\)](#) exceeds 49% of the additional payment being made, then the amount is reduced to be equal to 49% of that payment. The withholding limit applies to the additional payment only and not to normal earnings for the current pay period.

For some employees, the withholding limit may result in their withholding amounts not being sufficient to cover their end-of-year tax liability, as their total earnings for the financial year may exceed the HELP, TSL or Financial Supplement repayment threshold or attract a higher rate of tax. Under these circumstances, your employee can arrange an upwards variation by entering into an agreement with you to vary the rate or amount of withholding.

For more information about withholding variations, refer to:

- For employers: [PAYG withholding variations for payers](#)
- For employees: [PAYG withholding - varying your PAYG withholding](#).

For more information about HELP, TSL and Financial Supplement repayment thresholds, refer to:

- [HELP, TSL and SFSS repayment thresholds and rates](#).

## Working out the withholding amount

To work out the amount you need to withhold from an additional payment, you must use either **Method A** or **Method B**.

Using **Method B** is more complex but produces a withholding amount that more closely approximates the actual tax payable.

Calculations made using either method are acceptable to work out the withholding amount. If your calculation using either method results in a negative amount, you treat the result as nil.

## Using Method A

Use this method for any additional payments made regardless of the financial year the additional payment applies to. This includes all back payments, commissions, bonuses or similar payments.

This method calculates withholding by apportioning additional payments made in the current pay period over the number of pay periods in a financial year, and applying that average amount to the gross earnings in the current pay period.

If you are paying a commission, bonus or similar payment for a defined period of less than 12 months, you can choose to calculate withholding by using the number of pay periods the payment relates to at step 3. For example, if a commission relates to four weeks and the employee is paid weekly, you divide the commission by four pay periods at step 3, rather than 52 pay periods.

Step	Instruction
1	Work out your employee's gross earnings excluding any additional payments for the current pay period. Ignore any cents.
2	Use the relevant tax table to find the amount to be withheld from your employee's gross earnings in step 1.
3	Add any additional payments to be made in the current pay period together and divide the total by the number of pay periods in the financial year (that is, 52 weekly pay periods, 26 fortnightly pay periods or 12 monthly pay periods). Ignore any cents.
4	Add the amount at step 3 to the gross earnings at step 1.
5	Use the relevant tax table to find the amount to be withheld from the amount at step 4.
6	Subtract the amount at step 2 from the amount at step 5.
7	Multiply the amount at step 6 by the number of pay periods used in step 3.
8	Multiply the additional payment being made in the current pay period by 49%.
9	Use the lesser amount of step 7 and step 8 for the withholding on the additional payment. Ignore any cents.
10	Work out the total PAYG withholding for the current pay period by adding the withholding on the additional payment (step 9) to the withholding on the gross earnings (step 2).

## Using Method B

Use Method B(i) for any back payments applied to specific periods in the current financial year.

Use Method B(ii) for either:

- back payments that relate to a prior financial year

- any additional payments (including commissions, bonuses or similar payments) that don't relate to a single pay period regardless of the financial year the additional payment applies to.

If you are making back payments applying to current and previous financial years, apportion the back payment between those years and then use the applicable method for each component to calculate withholding.

If you are making multiple additional payments:

- in the current pay period, you first need to calculate withholding on the total of any current financial year back payments (including lump sum in arrears) then calculate the withholding on any other additional payments
- in the current financial year, that is, you made an additional payment to the employee in a previous pay period, do not recalculate the withholding for the additional payment previously made.

## B(i) Back payments applied to specific periods in the current financial year

This method recalculates withholding for each pay period the back payment applies.

Step	Instruction
1	Work out how much of the back payment applied to each earlier pay period in the current financial year.
2	For the first affected pay period, add the back payment relevant to that period to the normal earnings <sup>1</sup> previously paid to get total earnings for that period.
3	Use the relevant tax table to find the amount to be withheld from the total earnings for that period.
4	Subtract the amount previously withheld for the period from the amount at step 3.
5	Repeat steps 2–4 for each pay period affected. Total the amounts calculated in step 4 for each pay period for the withholding on the back payment.
6	Use the relevant tax table to find the amount to be withheld from your employee's gross earnings (excluding additional payments) for the current pay period.
7	Work out the total PAYG withholding for the current pay period by adding the withholding on the back payment (step 5) to the withholding on the gross earnings (step 6).

<sup>1</sup> See [Terms we use](#) for the definition of normal earnings.

## B(ii) Additional payments applied over the whole financial year

This method calculates withholding by averaging all additional payments made in the current financial year over the number of pay periods in a financial year, and applying that to the average total earnings to date.



Step	Instruction
1	Calculate the average total earnings <sup>2</sup> paid to your employee over the current financial year to date. Ignore any cents.
2	Use the relevant tax table to find the amount to be withheld from the average total earnings in step 1.
3	Add all additional payments made in the current financial year if Method B(ii) was used to calculate the withholding, to the additional payment in current pay. Then divide by the number of pay periods in the financial year (that is, 52 weekly pay periods, 26 fortnightly pay periods or 12 monthly pay periods). Ignore any cents.
4	Add the amount at step 3 to the average total earnings at step 1.
5	Use the relevant tax table to find the amount to be withheld from the amount at step 4.
6	Subtract the amount at step 2 from the amount at step 5.
7	Multiply the amount in step 6 by the number of pay periods used in step 3.
8	Subtract any amounts previously withheld from additional payments in the current financial year if Method B(ii) was used, from the amount at step 7.
9	Multiply the additional payment being made in the current pay period by 49%.
10	Use the lesser amount of step 8 and step 9 for the withholding on the additional payment. Ignore any cents.
11	Use the relevant tax table to find the amount to be withheld from your employee's gross earnings (excluding additional payments) for the current pay period.
12	Work out the total PAYG withholding for this pay period by adding the withholding on the additional payment (step 10) to the withholding on the gross earnings (step 11).

<sup>2</sup> See [Terms we use](#) for the definition of average total earnings.

# Commissions, bonuses or similar payments

If a commission, bonus or similar payment relates to work your employee performed for more than one pay period (or for an undefined period), you calculate withholding by applying either Method A or Method B(ii).

Do not use this tax table for payments for a single pay period.

If the commission, bonus or similar payment relates to work your employee performed in a single pay period (for example, a week, a fortnight or a month) the amount is added to all their other earnings for the current period. Withholding is then calculated using the standard PAYG withholding tax tables.

# HELP, TSL, SFSS and additional payments

If your employee has advised you they have a Higher Education Loan Program (HELP), Trade Support Loan (TSL) or Financial Supplement debt on their [Tax file number declaration](#) (NAT 3092) or [Withholding declaration](#) (NAT 3093), you must also withhold from the additional payment using the relevant HELP/TSL or SFSS tax tables.

You calculate the amounts you need to withhold from additional payments for HELP, TSL and SFSS by using the same method you used to calculate the PAYG withholding amount from the additional payment.

For example, if you calculate the amount to be withheld from the additional payment using Method A, use the same method to calculate the amounts to be withheld for HELP, TSL and SFSS purposes.

## **How do you calculate withholding on the additional payment if it is calculated separately to the HELP, TSL and SFSS components?**

If you calculate withholding separately, you need to make sure that the withholding limit in Method A and Method B(ii) applies to the combined total calculated for the additional payment and the HELP, TSL and SFSS components. For example, at step 9 in Method A you must combine the amounts from the two separate calculations used for step 7 before comparing it to the amount calculated at step 8.

## **Get it done**

You can use the following schedule that combine PAYG withholding with HELP, TSL and SFSS instead of repeating the calculation separately for each component:

- *Schedule 8 - Statement of formulas for calculating Higher Education Loan Program (HELP), Trade Support Loan (TSL) and Student Financial Supplement Scheme (SFSS) components (NAT 3539).*

The results obtained when using the coefficients in the above schedule may differ slightly from the sums of the amounts shown in the PAYG tax tables. Either calculation is acceptable.

Copies of all the tax tables are available on our website, refer to [Tax tables](#).

# Variations

If your employee has a withholding variation in place for the current financial year, you use one of the following to work out the amount of withholding from additional payments:

- the varied rate – if the relevant income is specified in the variation notice
- this tax table – if the relevant income is not specified in the variation notice.

If your employee had a withholding variation in place at the time the additional payment accrued but the withholding variation is no longer in effect when the additional payment is made, it does not apply when working out the amount to withhold.

## Find out more

If you need help to determine whether to use a withholding variation to work out the amount to withhold from an additional payment, phone us on **1300 360 221**.

# Leave without pay

For the purposes of this table, any periods where your employee has taken leave without pay do not affect the calculations outlined in each of the methods. For example, for Method A and Method B(ii), you are still required at step 3 to apportion all additional payments made by the total number of pay periods in a financial year (that is, 52 weekly pay periods, 26 fortnightly pay periods or 12 monthly pay periods).

# Superannuation income streams

To work out the amount you need to withhold from the taxable component of back payments of super income streams (pensions and annuities), including lump sum payments in arrears, use either Method A or B.

# Payment summaries

You must record back payments on your employee's payment summary. What payment summary you use depends on whether the back payments relate to a superannuation income stream or previous period of assessable foreign service. Use:

- [PAYG payment summary – individual non-business](#) (NAT 0046) for all back payments except those for super income streams or if they were related to a previous period of assessable foreign service
- [PAYG payment summary – superannuation income stream](#) (NAT 70987) for super income stream payments
- [PAYG payment summary – foreign employment](#) (NAT 73297) for payments related to a previous period of assessable foreign service.

## Find out more

For more information about payment summaries, refer to [PAYG payment summaries and guidelines](#).

## Completing the individual non-business payment summary

For payments accrued in the current financial year include the total:

- gross amount of all payments at 'Gross payments'
- amount withheld at 'Total tax withheld'.

### **Salary and wage income accrued before the current financial year**

For each payment accrued in a prior financial year, but not more than 12 months before the date of payment include the total:

- gross amount of the payment at 'Gross payments'
- amount withheld at 'Total tax withheld'.

For each payment accrued more than 12 months before the date of payment of less than \$1,200, include the total:

- gross amount of the payment at 'Gross payments'
- amount withheld at 'Total tax withheld'.

For each payment accrued more than 12 months before the date of payment of \$1,200 or more, include the total:

- gross amount of the payment at 'Lump sum E'
- amount withheld at 'Total tax withheld'.

### **Other amounts accrued before the current financial year<sup>3</sup>**

For each payment accrued in a prior financial year of less than \$1,200, include the total:

- gross amount of the payment at 'Gross payments'
- amount withheld at 'Total tax withheld'.

For each payment accrued in a prior financial year of \$1,200 or more, include the total:

- gross amount of the payment at 'Lump sum E'
- amount withheld at 'Total tax withheld'.

### **Employee letter**

You must also provide your employee with a letter specifying the financial years over which the amount accrued and the gross amount that accrued each financial year.

## Completing the superannuation income stream payment summary

For payments accrued in the current financial year, include:

- the component amounts at both

- ‘Taxable component’ (both taxed and untaxed elements if applicable)
- ‘Tax-free component’
- the amount withheld at ‘Total tax withheld’.

For payments accrued prior to the current financial year, include:

- the component amounts at both
  - ‘Lump sum in arrears – taxable component’ (both taxed and untaxed elements if applicable)
  - ‘Lump sum in arrears – tax-free component’
- the amount withheld at ‘Total tax withheld’.

### **Payee letter**

You must also provide your payee with a letter specifying the financial years over which the amount accrued and the gross amount that accrued each financial year.

## **Completing the foreign employment payment summary**

For salary and wage payments accrued in the current financial year, include the total:

- gross amount of all payments at ‘Gross payments’
- amount withheld and paid to a foreign tax jurisdiction (if applicable) at ‘Foreign tax paid’
- amount withheld for Australian tax purposes at ‘Total Australian tax withheld’.

For each salary and wage payment accrued in a prior financial year, but not more than 12 months before the date of payment, include the total:

- gross amount of the payment at ‘Gross payments’
- amount withheld and paid to a foreign tax jurisdiction (if applicable) at ‘Foreign tax paid’
- amount withheld for Australian tax purposes at ‘Total Australian tax withheld’.

For each salary and wage payment accrued more than 12 months before the date of payment of less than \$1,200, include the total:

- gross amount of the payment at ‘Gross payments’
- amount withheld and paid to a foreign tax jurisdiction (if applicable) at ‘Foreign tax paid’
- amount withheld for Australian tax purposes at ‘Total Australian tax withheld’.

For each salary and wage payment accrued more than 12 months before the date of payment of \$1,200 or more, include the total:

- gross amount of the payment at ‘Lump sum E’
- amount withheld and paid to a foreign tax jurisdiction (if applicable) at ‘Foreign tax paid’
- amount withheld for Australian tax purposes at ‘Total Australian tax withheld’.

## Employee letter

You must also provide your employee with a letter specifying the financial years over which the amount accrued and the gross amount that accrued each financial year.

<sup>3</sup> Refer to [Other payments you should use this tax table for](#)

# Examples

## Example 1: Withholding from a bonus payment using Method A

Mark, who has an accumulated HELP debt, is due to receive an annual bonus of \$900. Mark earns \$1,500 per week. Using Method A, calculate the withholding amount for the current pay period as follows:

### PAYG withholding component

Step	Instruction	Result
1	Work out Mark's gross earnings for the current pay period.	\$1,500
2	Use the relevant tax table to find the amount to be withheld from Mark's gross earnings in step 1.	\$356
3	Divide the additional payment by the number of pay periods in the financial year. $= \$900 / 52$	\$17
4	Add the amount at step 3 to the gross earnings at step 1. $= \$1,500 + \$17$	\$1,517
5	Use the relevant tax table to find the amount to be withheld from the amount at step 4.	\$362
6	Subtract the amount at step 2 from the amount at step 5. $= \$362 - \$356$	\$6
7	Multiply the amount at step 6 by the number of pay periods in the financial year for the withholding on the additional payment. $= \$6 \times 52$	\$312

As Mark has an accumulated HELP debt, his employer also needs to calculate a withholding amount from the bonus payment for HELP. They use the same method as they used to calculate withholding for the bonus payment in the first part of this example.

### HELP component

Step	Instruction	Result
1	Work out Mark's gross earnings for the current pay period.	\$1,500
2	Use the relevant tax table to find the amount to be withheld for HELP from Mark's gross earnings in step 1.	\$90
3	Divide the additional payment by the number of pay periods in the financial year. $= \$900 / 52$	\$17

4	Add the amount at step 3 to the gross earnings at step 1. = \$1,500 + \$17	\$1,517
5	Use the relevant tax table to find the amount to be withheld for HELP from the amount at step 4.	\$91
6	Subtract the amount at step 2 from the amount at step 5. = \$91 – \$90	\$1
7	Multiply the amount at step 6 by the number of pay periods in the financial year for the HELP withholding on the additional payment. = \$1 × 52	\$52

**Withholding limit (including HELP component)**

Step	Instructions	Result
8	Multiply the additional payment being made in the current pay period by 49%. = \$900 × 49%	\$441
9	Use the lesser amount of step 7 (combined) and step 8 for the withholding on the additional payment. Ignore any cents.  Combine two step 7 results \$312 + \$52 = \$364. This amount is used as it's less than step 8.	\$364
10	See below	

**Calculate the total PAYG withholding amount for the current pay period (step 10)**

Add the amounts to be withheld:

- PAYG withholding on gross earnings in the current pay period = \$356
- HELP withholding on gross earnings in the current pay period = \$90
- PAYG withholding on additional payment = \$312
- HELP withholding on additional payment = \$52

The total PAYG withholding is \$810 (\$356 + \$90 + \$312 + \$52).

Example 1 uses both:

- *Higher Education Loan Program (HELP)/Trade Support Loan (TSL) weekly tax table* (NAT 2173) effective from 1 July 2015
- *Statement of formulas for calculating the amount to be withheld* (NAT 1004) effective from 1 July 2015 – the calculations are made using scale 2, with tax-free threshold.

**Example 2: Withholding from a missed payment using Method B(i)**

Robyn, who has an accumulated HELP debt, is due to receive a back payment relating to the current financial year following a pay rise. Since the first pay period of the current financial year and up until period 8, Robyn has earned \$1,000 per week. From pay period 9 (her current pay period), Robyn will earn \$1,100 per week. Robyn's back payment which covers the first eight pay periods of the current financial year will be paid to her in pay period 9. Therefore, Robyn will receive a back payment of \$800 along with her normal gross earnings

of \$1,100. Using Method B(i), calculate the withholding amount for the current pay period 9 as follows:

**PAYG withholding component**

Step	Instruction	Result
1	Work out how much of Robyn's additional payment applied to each earlier pay period in the current financial year. In this example it is \$800 over eight pay periods. = $\$800 / 8$	\$100
2	For the first affected pay period, add the additional payment relevant to that period to the normal earnings previously paid to get the total earnings for that period. = $\$1,000 + \$100$	\$1,100
3	Use the relevant tax table to find the amount to be withheld from Robyn's total earnings for that period.	\$217
4	Subtract the amount previously withheld for the period from the amount at step 3. = $\$217 - \$183$	\$34
5	Repeat steps 2–4 for each pay period affected. Total the amounts calculated in step 4 for each pay period for the withholding on the additional payment. As it is the same amount for each pay period in this example, it will be $8 \times \$34$ .	\$272
6	Use the relevant tax table to find the amount to be withheld from Robyn's gross earnings for the current pay period.	\$217
7	Add the withholding on the additional payment (step 5) to the withholding on Robyn's gross earnings (step 6) to work out the total withholding for the current pay period. = $\$217 + \$272$	\$489

As Robyn has an accumulated HELP debt, her employer also needs to calculate a withholding amount from the back payment for HELP. They use the same method as they used to calculate withholding for the back payment in the first part of this example.

**HELP component**

Step	Instruction	Result
1	Work out how much of Robyn's additional payment applied to each earlier pay period in the current financial year. In this example it is \$800 over eight pay periods. = $\$800 / 8$	\$100
2	For the first affected pay period, add the additional payment relevant to that period to the normal earnings previously paid to get total normal earnings for that period. = $\$1,000 + \$100$	\$1,100
3	Use the relevant tax table to find the amount to be withheld for HELP from Robyn's total normal earnings for that period.	\$44



4	Subtract the amount previously withheld for the period from the amount at step 3. = \$44 – \$0	\$44
5	Repeat steps 2–4 for each pay period affected. Total the amounts calculated in step 4 for each pay period for the HELP withholding on the additional payments. As it is the same amount for each pay period in this example, it will be 8 × \$44.	\$352
6	Use the relevant tax table to find the amount to be withheld for HELP from Robyn's gross earnings for the current pay period.	\$44
7	Add the HELP withholding on the additional payment (step 5) to the withholding on Robyn's gross earnings (step 6) to work out the withholding for HELP for the current period. = \$44 + \$352	\$396

### Calculate the total PAYG withholding amount for the current pay period

Add the amounts to be withheld:

- PAYG withholding on gross earnings in the current pay period = \$217
- HELP withholding on gross earnings in the current pay period = \$44
- PAYG withholding on additional payment = \$272
- HELP withholding on additional payment = \$352

The total PAYG withholding is \$885 (\$217 + \$44 + \$272 + \$352). Example 2 uses:

- *Higher Education Loan Program (HELP)/Trade Support Loan (TSL) weekly tax table* (NAT 2173) effective from 1 July 2015
- *Statement of formulas for calculating the amount to be withheld* (NAT 1004) effective from 1 July 2015 – the calculations are made using scale 2, with tax-free threshold.

### **Example 3: Withholding from a lump sum payment in arrears using Method B(ii)**

Mary is employed by Minercorp Pty Ltd and receives a fortnightly salary of \$1,800. She is entitled to an allowance from her employer when working in remote areas. In 2013, Mary worked in a remote area for six months, but she was not paid this allowance. The total allowance that she should have been paid for this period was \$2,480. Her employer discovers their oversight and agrees to pay her the \$2,480 as a lump sum payment in arrears on 11 November 2015. Her gross earnings for pay period 10 is \$1,800.

Mary has received normal earnings (year to date) of \$18,000 including the current pay. The amount Mary's payer must withhold from this payment is calculated using Method B(ii) as follows:

Step	Instruction	Result
1	Calculate Mary's average total earnings over the current financial year to date (including current pay). = \$18,000 / 10	\$1,800
2	Use the relevant tax table to find the amount to be withheld from Mary's average total earnings in step 1.	\$296
3	Add all additional payments made to Mary in the current financial year if Method B(ii) was used to calculate the withholding, to the additional payment in the current pay. Mary's additional payment of \$2,480 is then divided by the number of pay periods in the financial year. = \$2,480 / 26	\$95
4	Add the amount at step 3 to the average total earnings at step 1. = \$1,800 + \$95	\$1,895
5	Use the relevant tax table to find the amount to be withheld from the amount at step 4.	\$328
6	Subtract the amount at step 2 from the amount at step 5. = \$328 – \$296	\$32
7	Multiply the amount in step 6 by the number of pay periods used in step 3. = \$32 × 26	\$832
8	Subtract any amounts previously withheld from additional payments in the current financial year if Method B(ii) was used, from the amount at step 7 for the withholding on the additional payment. = \$832 – \$0	\$832
9	Use the relevant tax table to find the amount to be withheld from the payee's gross earnings (excluding additional payments) for the current pay period.	\$296
10	Work out the total PAYG withholding for this pay period by adding the withholding on the additional payment (step 8) to the withholding on the gross earnings (step 9). = \$832 + \$296	\$1,128

Example 3 uses

*Statement of formulas for calculating the amount to be withheld* (NAT 1004) effective from 1 July 2015. The calculations are made using scale 2, with tax-free threshold. **Example 4: Withholding using Method B(i) and Method B(ii)**

Pablo, who has an accumulated Financial Supplement debt, is employed by Macropayers Pty Ltd. On 1 September 2015, he received a salary increase of \$5 an hour, taking his gross monthly salary from \$4,800 to \$5,600. His employer agreed that the increase would be backdated to 1 August 2014 and paid at the end of September 2015.

This means that the back payment of salary covers 13 pay periods. The total back payment of salary is \$10,400. To work out the total amount to be withheld from the back payment to Pablo, his employer will need to calculate the amount accrued in both:

- the current financial year (2 pay periods from 1 July to August 2015) = \$1,600

- a prior financial year (11 pay periods from 1 August 2014 to 30 June 2015) = \$8,800. You don't need to complete some steps if both Methods B(i) and (ii) are used in the calculations.

#### Method B(i) – PAYG withholding component

Step	Instruction	Result
1	Work out how much of Pablo's additional payment applied to each earlier pay period in the current financial year. In this example it is \$1,600 over two pay periods. = \$1,600 / 2	\$800
2	For the first affected pay period, add the additional payment relevant to that period to the normal earnings previously paid to get total earnings for that period. = \$4,800 + \$800	\$5,600
3	Use the relevant tax table to find the amount to be withheld from Pablo's total earnings for that period.	\$1,231
4	Subtract the amount previously withheld for the period from the amount at step 3. = \$1,231 – \$953	\$278
5	Repeat steps 2–4 for each pay period affected. Total the amounts calculated in step 4 for each pay period for the withholding on the additional payment. As it is the same amount for each pay period in this example, it will be 2 × \$278.	\$556
6	This step is not required as withholding is also calculated using Method B(ii).	
7	This step is not required as withholding is also calculated using Method B(ii).	

As Pablo has an accumulated Financial Supplement debt, his employer will need to calculate a withholding amount from the back payment for SFSS. They use the same method as they used to calculate withholding for the back payment in the first part of this example.

#### Method B(i) – SFSS component

Step	Instruction	Result
1	Work out how much of Pablo's additional payment applied to each earlier pay period in the current financial year. In this example it is \$1,600 over two pay periods. = \$1,600 / 2	\$800
2	For the first affected pay period, add the additional payment relevant to that period to the normal earnings previously paid to get total normal earnings for that period. = \$4,800 + \$800	\$5,600
3	Use the relevant tax table to find the amount to be withheld for SFSS from Pablo's total normal gross earnings for that period.	\$169

4	Subtract the amount previously withheld for the period from the amount at step 3. = \$169 – \$95	\$74
5	Repeat steps 2–4 for each pay period affected. Total the amounts calculated in step 4 for each pay period for the SFSS withholding on the additional payment. As it is the same amount for each pay period in this example, it will be 2 × \$74.	\$148
6	This step is not required as withholding is also calculated using Method B(ii).	
7	This step is not required as withholding is also calculated using Method B(ii).	

#### **Method B(ii) – PAYG withholding component**

Step	Instruction	Result
1	Calculate Pablo's average total earnings, which in this example is = (salary earnings to date + current financial year additional payments to date) / number of pay periods = [(\$4,800 + \$4,800 + \$5,600) + \$1,600] / 3 = \$16,800 / 3	\$5,600
2	Use the relevant tax table to find the amount to be withheld from Pablo's average total earnings in step 1.	\$1,231
3	Add all additional payments made to Pablo in current financial year where Method B(ii) was used to calculate the withholding, to the additional payment in current pay. Then divide by the number of pay periods in the financial year. = \$8,800 / 12	\$733
4	Add the amount at step 3 to the average total earnings at step 1. = \$5,600 + \$733	\$6,333
5	Use the relevant tax table to find the amount to be withheld from the amount at step 4.	\$1,482
6	Subtract the amount at step 2 from the amount at step 5. = \$1,482 – \$1,231	\$251
7	Multiply the amount in step 6 by the number of pay periods used in step 3. = \$251 × 12	\$3,012
8	Subtract any amounts previously withheld from additional payments in the current financial year if Method B(ii) was used, from the amount at step 7 for the withholding on the additional payment. = \$3,012 – \$0	\$3,012
9	This step is not required as final calculations for withholding limit and total withholding will be made after SFSS component is calculated.	
10	This step is not required as final calculations for withholding limit and	

	total withholding will be made after SFSS component is calculated.	
11	This step is not required as final calculations for withholding limit and total withholding will be made after SFSS component is calculated.	
12	This step is not required as final calculations for withholding limit and total withholding will be made after SFSS component is calculated.	

As Pablo has an accumulated Financial Supplement debt his employer will need to calculate the withholding amount from the back payment for SFSS. They use the same method as they used to calculate withholding for the back payment in the first part of this example.

#### **Method B(ii) – SFSS component**

Step	Instruction	Result
1	Calculate Pablo's average total earnings, which in this example is: = (salary earnings to date + current financial year additional payments to date) / number of pay periods = [(\$4,800 + \$4,800 + \$5,600) + \$1,600] / 3 = \$16,800 / 3	\$5,600
2	Use the relevant tax table to find the amount to be withheld for SFSS on Pablo's average total earnings in step 1.	\$169
3	Add all additional payments made to Pablo in current financial year where Method B(ii) was used to calculate the withholding, to the additional payment in current pay. Then divide by the number of pay periods in the financial year. = \$8,800 / 12	\$733
4	Add the amount at step 3 to the average total earnings at step 1. = \$5,600 + \$733	\$6,333
5	Use the relevant tax table to find the amount to be withheld for SFSS from the amount at step 4.	\$191
6	Subtract the amount at step 2 from the amount at step 5. = \$191 – \$169	\$22
7	Multiply the amount in step 6 by the number of pay periods used in step 3. = \$22 × 12	\$264
8	Subtract any amounts previously withheld from additional payments in the current financial year if Method B(ii) was used, from the amount at step 7 for the withholding for SFSS on the additional payment. = \$264 – \$0	\$264

#### **Withholding limit (including SFSS component)**

Step	Instruction	Result
9	Multiply the additional payment being made using Method B(ii) in the current pay period by 49%. = \$8,800 × 49%	\$4,312
10	Use the lesser amount of step 8 (combined) and step 9 for the	\$3,276

	withholding on the additional payment. Ignore any cents. Combine the two step 8 results. = \$3,012 + \$264 = \$3,276 This amount is used as it's less than step 9.	
11	This step is not applicable as total withholding for the current pay period will need to include amounts calculated in Method B(i).	
12	This step is not applicable as total withholding for the current pay period will need to include amounts calculated in Method B(i).	

### **Calculate the total PAYG withholding amount for the current pay period**

Add the amounts to be withheld:

*Withholding on gross earnings current pay period*

- PAYG withholding on gross earnings in the current pay period = \$1,231
- SFSS withholding on gross earnings in the current pay period = \$169

*Method B(i) withholding*

- PAYG withholding on additional payment for current financial year = \$556
- SFSS withholding on additional payment for current financial year = \$148

*Method B(ii) withholding*

- PAYG withholding on additional payment for prior financial year = \$3,012
- SFSS withholding on additional payment for prior financial year = \$264

**Total PAYG withholding** is \$5,380

(\$1,231 + \$169 + \$556 + \$148 + \$3,012 + \$264). Example 4 uses both:

- *Student Financial Supplement Scheme (SFSS) monthly tax table* (NAT 3308) effective from 1 July 2015
- *Statement of formulas for calculating the amount to be withheld* (NAT 1004) effective from 1 July 2015 – the calculations are made using scale 2, with tax-free threshold.

# Schedule 6 – Tax table for annuities

For payments made on or after 1 July 2015

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* (TAA). It applies to withholding payments covered by paragraph 12-80(b) of Schedule 1 to the TAA.

## Using this table

You should use this table if you pay an annuity that is not a super income stream. For super income stream payments, refer to [Tax table for superannuation income streams](#) (NAT 70982).

### Get it done

We have a calculator to help work out the correct amount of tax to withhold from payments to most payees. To access the calculator, refer to [Tax withheld calculator](#).

## Working out the withholding amount

To work out the withholding amount for an annuity payment that is not a super income stream, you must:

1. Work out the amount of income to withhold from using the following formula:  
$$\text{Annuity payment} - [\text{Deductible 27H amount} / \text{Number of instalments}]$$

In this formula:

- **deductible 27H amount** is the deductible amount for the annuity calculated under section 27H of the *Income Tax Assessment Act 1936*.
- **number of instalments** is the number of instalments of the annuity payable in the income year.

### Find out more

If you do not know the deductible 27H amount, we will calculate it for you. To make this request, the annuity recipient needs to send the information set out in question D11 – Deductible amount of undeducted purchase price of a foreign pension or annuity to the following address:

**Australian Taxation Office**  
**PO Box 3578**  
**ALBURY NSW 2640**

For more information, refer to [Individual tax return instructions supplement](#) and read question D11.

2. Use the corresponding PAYG withholding tax table to find the withholding amount. The tax table you use depends on the period which the annuity is paid – for example, weekly or fortnightly.

Some payees may be eligible to claim the seniors and pensioners tax offset (SAPTO). If your payee gives you a [Withholding declaration](#) (NAT 3093) indicating that they want to claim a SAPTO entitlement through PAYG withholding, use the [Tax table for seniors and pensioners](#) (NAT 4466) to work out the amount to withhold from the income amount calculated in step 1.

## Examples

These examples use the PAYG withholding tax tables that apply from 1 July 2015.

### Example 1

Barbara has an annuity that is not a super income stream that pays \$1,000 a week. The ATO has informed Barbara that her deductible 27H amount for the 2015–16 income year is \$5,200.

1. The amount to withhold from is:  
$$\begin{aligned} &\text{Annuity payment} - [\text{Deductible 27H amount} / \text{Number of instalments}] \\ &= \$1,000 - [\$5,200 / 52] \\ &= \$1,000 - \$100 \\ &= \$900 \end{aligned}$$
2. Barbara's payer will then use the *Weekly tax table* (NAT 1005) to work out how much to withhold from \$900. Assuming Barbara is claiming the tax-free threshold, the amount to be withheld is \$148.

### Example 2

Kenneth will receive a fortnightly annuity that is not a super income stream, paid on the 7th and 21st day of the month from 7 February 2016. For the remainder of the income year, the annuity will be \$850 per fortnight. The annuity is indexed annually and the higher indexed amount is paid from 7 July 2016.

Kenneth has written to the ATO requesting that his deductible 27H amount be calculated. The ATO has informed Kenneth that his deductible 27H amount for a whole income year is \$2,400 and for the part of the current income year that he is to receive an annuity; his deductible amount is \$1,000.

For the current income year, Kenneth will receive ten annuity instalments.

1. The amount to withhold from is:  
$$\begin{aligned} &\text{Annuity payment} - [\text{Deductible 27H amount} / \text{Number of instalments}] \\ &= \$850 - [\$1,000 / 10] \\ &= \$850 - \$100 \\ &= \$750 \end{aligned}$$
2. Kenneth's payer will then use the *Fortnightly tax table* (NAT 1006) to work out how much to withhold from \$750. Assuming Kenneth is claiming the tax-free threshold, the amount to be withheld is \$8.

## Rounding of withholding amounts

Withholding amounts calculated using the above formulas should be rounded to the nearest dollar. Results ending in 50 cents are rounded to the next higher dollar. Do this rounding directly – that is, do not make a preliminary rounding to the nearest cent.



# Tax file number (TFN) declarations

The answers your payees provide on their [Tax file number declaration](#) (NAT 3092) determine the amount you need to withhold from their payments. A *Tax file number declaration* applies to any payments made after you receive the declaration. If you receive an updated declaration from a payee, it will override the previous one.

If a payee does not give you a valid *Tax file number declaration* within **14 days** of starting a payer/payee relationship, you must complete a *Tax file number declaration* with all available details of the payee and send it to us.

## When a TFN has not been provided

You must withhold 49% from any payment you make to a resident payee and 47% from any payment you make to a foreign resident payee (ignoring any cents), if it is an annuity payment that is not a superannuation income stream and 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 have made an enquiry with us.

If a payee states at question 1 of the *Tax file number declaration* they have lodged a [Tax file number – application or enquiry for individuals](#) (NAT 1432) with us, they have **28 days** to provide you with their TFN.

If the payee has not given you their TFN within **28 days**, you must withhold 49% for any annuity payment you make to a resident payee and 47% for any annuity payment you make to a foreign resident payee (ignoring any cents) unless we tell you not to.

Do not allow for tax offsets or Medicare levy adjustments. Do not withhold any amount for:

- Higher Education Loan Program (HELP) debts
- Trade Support Loan (TSL) debts
- Financial Supplement debts.

# Schedule 7 – Tax table for unused leave payments on termination of employment

For payments made on or after 1 July 2015

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* (TAA). It applies to withholding payments covered by section 12-90 of Schedule 1 to the TAA.

## Using this table

You should use this table if you pay an amount to an employee for unused leave on the termination of their employment or office.

Unused leave payments on termination of employment or office include:

- annual leave
- holiday pay
- leave loading
- leave bonuses
- long service leave.

Before calculating the amount to be withheld, you must work out if the payments are being made as a result of a genuine redundancy, invalidity or an early retirement scheme.

### Find out more

For more information, refer to [Withholding from unused leave payments on termination of employment](#).

## Working out the withholding amount

### When a TFN is provided

The amount to withhold is calculated using the table below.

If the post-17 August 1993 lump sum payment from normal termination is less than \$300, you must withhold the lesser of the following:

- the amount worked out using the table below
- 32% of the payment.

Payment type	Reason	Accrual dates	Withholding rates	Payment summary label
Long service leave	Normal termination (eg voluntary resignation, employment terminated due to inefficiency, retirement)	Pre-16 August 1978	5% of total at marginal rates	B
		16 August 1978 to 17 August 1993	32%	A
		Post-17 August 1993	Marginal rates	Include in salary/wages
	Termination because of genuine redundancy, invalidity or early retirement scheme	Pre-16 August 1978	5% of total at marginal rates	B
		16 August 1978 to 17 August 1993	32%	A
		Post-17 August 1993	32%	A
Annual leave	Normal termination (eg voluntary resignation, employment terminated due to inefficiency, retirement)	Pre-18 August 1993	32%	A
		Post-17 August 1993	Marginal rates	Include in salary/wages
	Termination because of genuine redundancy, invalidity or early retirement scheme		32%	A
Annual leave loading	Normal termination (eg voluntary resignation, employment terminated due to inefficiency, retirement)	Pre-18 August 1993	32%	A
		Post-17 August 1993	Marginal rates	Include in salary/wages
	Termination because of genuine redundancy, invalidity or early retirement scheme		32%	A

## Rounding of withholding amounts

Withholding amounts calculated by applying this table are rounded to the nearest dollar. Results ending in 50 cents or higher are rounded upwards. If a TFN is not provided, ignore cents when calculating withholding amounts.

## Marginal rate calculation

To work out the marginal rate, you must:

1. Using the relevant PAYG withholding tax table, work out the amount to withhold from your employee's normal gross earnings for a regular pay period.
2. Divide the amount of the payment by the number of normal pay periods in 12 months (12 monthly payments, 26 fortnightly payments or 52 weekly payments).
3. Ignore any cents.
4. Add the amount at step 3 to the normal gross earnings for a single pay period.
5. Use the same PAYG withholding tax tables used at step 1 to work out the amount to withhold for the amount at step 4.
6. Subtract the amount at step 1 from the amount at step 5.
7. Multiply the amount obtained at step 6 by the number of normal pay periods in 12 months (12 monthly payments, 26 fortnightly payments or 52 weekly payments).

Do not withhold any amount for:

- Higher Education Loan Program (HELP) debts
- Trade Support Loan (TSL) debts
- Financial Supplement debts.

## Normal gross earnings

Normal gross earnings are all payments, except those relating to termination payments, received in the last full pay period of employment. This includes taxable allowances, overtime and bonuses. Therefore, your employee's normal gross earnings should be taken to be the earnings relating to the last full pay period worked.

Where your employee's pay fluctuates significantly over a number of pay periods, we will accept an average of gross taxable earnings for the financial year to date over the number of pays received.

### Example

The following example uses the *Weekly tax table* (NAT 1005) effective from 1 July 2015.

Beth retires on 31 December 2015. She qualified for long service leave after 10 years of service, with further leave accruing on each completed year of service.

She is not leaving because of genuine redundancy, invalidity or under an early retirement scheme.

This week Beth also receives her normal weekly earnings of \$800. She has quoted her TFN and has claimed the tax-free threshold. Therefore, the amount withheld is calculated using column 2 of the *Weekly tax table*.

### Details of payment for long service leave

Pre-16 August 1978 component = \$3,690.00

16 August 1978 to 17 August 1993 component = \$7,700.00

Post-17 August 1993 component = \$10,890.00

### Amounts to be withheld

Pre-16 August 1978 component subject to withholding

= \$3,690.00 × 5% = \$184.50

The marginal rate calculation is used to work out the amount to be withheld from the pre-16 August 1978 component.

16 August 1978 to 17 August 1993 component

= \$7,700.00 × 32% = \$2,464.00

The post-17 August 1993 component of \$10,890.00 is also to be withheld at the marginal rate. To simplify the marginal rate calculation for this employee, the pre-16 August 1978 component and the post-17 August 1993 component are added together first: \$184.50 + \$10,890.00 = \$11,074.50

Now apply the marginal rate calculation to the sum of the two components.

Step	Instruction	Result
1	Amounts to be withheld from normal gross earnings (\$800)	\$113
2	Divide the amount of the payment by the number of normal pay periods in 12 months (\$11,074.50/52)	\$212.97
3	Disregard any cents	\$212
4	Add the amount at step 3 to normal gross earnings for a single pay period (\$800 + \$212)	\$1,012
5	Work out the amount to be withheld from the amount at step 4 (\$1,012)	\$187
6	Subtract the amount at step 1 from the amount at step 5 (\$187 – \$113)	\$74
7	Multiply the amount at step 6 by the number of normal pay periods in 12 months (\$74 x 52)	\$3,848

The amount to be withheld from the three components of Beth's unused long service leave payments is \$6,312 (\$2,464 + \$3,848).

The total amount to be withheld is then \$6,425 (\$113 withholding from normal earnings plus \$6,312 withholding from long service leave).

## When a TFN has not been provided

If your employee who is receiving the unused leave payments has not provided you with their TFN before the payment is made, you must withhold 49% from the payment.

If your employee is a foreign resident who has not provided you with their TFN, you must withhold 47% from the payment.

If your employee believes that for their circumstances the amount you withhold will be too much, they may apply for a variation to reduce the amount of withholding.

For more information refer to [PAYG withholding – varying your PAYG withholding](#)

## Tax file number declaration

Any [Tax file number declaration](#) (NAT 3092) your employee provides while they were working for you will only be effective:

- for the period that they were working for you
- 12 months after you make the last payment.

# Schedule 8 – Statement of formulas for calculating Higher Education Loan Program (HELP), Trade Support Loan (TSL) and Student Financial Supplement Scheme (SFSS) components

The coefficients in this schedule should be used together with the *Statement of formulas for calculating amounts to be withheld* (NAT 1004)

For payments made from 1 July 2015 to 30 June 2016

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* (TAA). It applies to withholding payments covered by Subdivisions 12-B (except sections 12-50 and 12-55), 12-C (except sections 12-85 and 12-90) and 12-D of Schedule 1 to the TAA.

## Using this schedule

You should use this schedule if you develop your own payroll software package. Formulas and coefficients are used for calculating weekly withholding amounts for employees who have a:

- Higher Education Loan Program (HELP) debt
- Trade Support Loan (TSL) debt or
- Financial Supplement (FS) debt.

### Get it done

Our calculator can help you work out the correct amount of tax to withhold from payments to most employees. To access the calculator, refer to [Tax withheld calculator](#).

### Get it done

You can download a printable version of [Statement of formulas for calculating Higher Education Loan Program \(HELP\), Trade Support Loan \(TSL\) and Student Financial Supplement Scheme \(SFSS\) components](#) (NAT 3539, 793KB) in Portable Document Format (PDF).

## Using a formula

The withholding amounts for employees who have a HELP/TSL or Financial Supplement debt can be expressed in a mathematical form.

If you have developed your own payroll software package, you can use the formulas and component rates outlined below.

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

- $y$  is the weekly HELP/TSL or SFSS component
- $x$  is the weekly earnings - or weekly equivalent of earnings - rounded down to whole dollars plus 99 cents
- $a$  is the value of the component rate as shown in the following tables.

## HELP/TSL component rates

### Tax-free threshold claimed or foreign resident

Weekly earnings – x \$	Component rate – a %
0 - 1,039.99	-
1,040.00 - 1,158.99	4.0
1,159.00 - 1,277.99	4.5
1,278.00 - 1,344.99	5.0
1,345.00 - 1,444.99	5.5
1,445.00 - 1,565.99	6.0
1,566.00 - 1,647.99	6.5
1,648.00 - 1,813.99	7.0
1,814.00 - 1,932.99	7.5
1,933.00 and over	8.0

### No tax-free threshold claimed

Weekly earnings – x \$	Component rate – a %
0 - 689.99	-
690.00 - 808.99	4.0
809.00 - 927.99	4.5
928.00 - 994.99	5.0
995.00 - 1,094.99	5.5
1,095.00 - 1,215.99	6.0
1,216.00 - 1,297.99	6.5



1,298.00 - 1,463.99	7.0
1,464.00 - 1,582.99	7.5
1,583.00 and over	8.0

## SFSS component rates

### Tax-free threshold claimed or foreign resident

Weekly earnings – x \$	Component rate – a %
0 - 1,039.99	-
1,040.00 - 1,277.99	2.0
1,278.00 - 1,813.99	3.0
1,814.00 and over	4.0

### No tax-free threshold claimed

Weekly earnings – x \$	Component rate – a %
0 - 689.99	-
690.00 - 927.99	2.0
928.00 - 1,463.99	3.0
1,464.00 and over	4.0

## Calculating fortnightly, monthly or quarterly withholding amounts

First calculate the weekly equivalent of fortnightly, monthly or quarterly earnings. If you pay:

- fortnightly – divide the sum of the fortnightly earnings and the amount of any allowances subject to withholding by two. Ignore any cents in the result and then add 99 cents
- monthly – obtain the sum of the monthly earnings and the amount of any allowances subject to withholding (if the result is an amount ending in 33 cents, add one cent). Multiply this amount by three and then divide by 13. Ignore any cents in the result and then add 99 cents
- quarterly – divide the sum of the quarterly earnings and the amount of any allowances subject to withholding by 13. Ignore any cents in the result and then add 99 cents.

Then calculate fortnightly, monthly or quarterly withholding amounts as follows:

- fortnightly – determine the rounded weekly withholding amount applicable to the weekly equivalent of earnings before any adjustment for tax offsets. Multiply this amount by two

- monthly – determine the rounded weekly withholding amount applicable to the weekly equivalent of earnings before any adjustment for tax offsets. Multiply this amount by 13, divide the product by three and round the result to the nearest dollar
- quarterly – determine the rounded weekly withholding amount applicable to the weekly equivalent of earnings before any adjustment for tax offsets. Multiply this amount by 13.

## When to work out the HELP/TSL component

You will need to calculate the HELP/TSL component when your employee has given you a [Tax file number declaration](#) (NAT 3092) or [Withholding declaration](#) (NAT 3093) and has:

- answered **yes** to the question 'Do you have a Higher Education Loan Program (HELP) or Trade Support Loan (TSL) debt?'
- not completed a [Medicare levy variation declaration](#) (NAT 0929) claiming a reduction or exemption in the Medicare levy for having a spouse or dependants and low family income.
- claimed the tax-free threshold or is a foreign resident with earnings of one of the following:
  - \$1,040 or more if paid weekly
  - \$2,080 or more if paid fortnightly
  - \$4,506.67 or more if paid monthly
  - \$13,520 or more if paid quarterly.

If employee has not claimed the tax-free threshold, the HELP/TSL component is calculated on earnings of:

- \$690 or more if paid weekly
- \$1,380 or more if paid fortnightly
- \$2,990 or more if paid monthly
- \$8,970 or more if paid quarterly.

You must withhold the HELP/TSL component from all your employee's earnings, including taxable allowances, bonuses and commissions.

### Examples

1. Employee has claimed the tax-free threshold and has weekly earnings of \$1,055.84.  
HELP/TSL component =  $\$1,055.99 \times 4\% = \$42.00$  rounded to the nearest dollar.
2. Employee has claimed the tax-free threshold and has fortnightly earnings of \$2,355.78.  
Weekly equivalent of \$2,355.78 = \$1,177.99 (\$2,355.78 divided by two, ignoring cents and adding 99 cents).  
Weekly HELP/TSL component =  $\$1,177.99 \times 4.5\% = \$53.00$  rounded to the nearest dollar.  
Fortnightly HELP/TSL component =  $\$106.00$  ( $\$53.00 \times 2$ ).
3. Employee has claimed the tax-free threshold and has monthly earnings of \$5,488.45.  
Weekly equivalent of \$5,488.45 = \$1,266.99

$(\$5,488.45 \times 3/13, \text{ ignoring cents and adding 99 cents})$ .

Weekly HELP/TSL component =  $\$1,266.99 \times 4.5\% = \$57.00$  rounded to the nearest dollar.

Monthly HELP/TSL component =  $\$247.00$  ( $\$57.00 \times 13/3$ , rounded to the nearest dollar).

## When to work out the SFSS component

You will need to calculate the SFSS component when your employee has given you a [Tax file number declaration](#) (NAT 3092) or [Withholding declaration](#) (NAT 3093) and has:

- answered **yes** to the question 'Do you have a Financial Supplement debt?'
- not applied for an exemption or reduction of the Medicare levy on a [Medicare levy variation declaration](#) (NAT 0929), due to low family income
- claimed the tax-free threshold or is a foreign resident with earnings of one of the following:
  - \$1,040 or more if paid weekly
  - \$2,080 or more if paid fortnightly
  - \$4,506.67 or more if paid monthly
  - \$13,520 or more if paid quarterly.

If your employee has not claimed the tax-free threshold, the SFSS component is calculated on earnings of:

- \$690 or more if paid weekly
- \$1,380 or more if paid fortnightly
- \$2,990 or more if paid monthly
- \$8,970 or more if paid quarterly.

You must withhold the SFSS component from all your employee's earnings, including taxable allowances, bonuses and commissions.

### Examples

1. Employee has claimed the tax-free threshold and has weekly earnings of \$1,238.24.  
SFSS component =  $\$1,238.99 \times 2\% = \$25.00$  rounded to the nearest dollar.
2. Employee has claimed the tax-free threshold and has fortnightly earnings of \$2,311.59.  
Weekly equivalent of \$2,311.59 =  $\$1,155.99$  ( $\$2,311.59$  divided by two, ignoring cents and adding 99 cents).  
Weekly SFSS component =  $\$1,155.99 \times 2\% = \$23.00$  rounded to the nearest dollar.  
Fortnightly SFSS component =  $\$46.00$  ( $\$23.00 \times 2$ ).
3. Employee has claimed the tax-free threshold and has monthly earnings of \$5,689.21.  
Weekly equivalent of  $\$5,689.21 = \$1,312.99$   
( $\$5,689.21 \times 3/13$ , ignoring cents and adding 99 cents).  
Weekly SFSS component =  $\$1,312.99 \times 3\% = \$39.00$  rounded to the nearest dollar.  
Monthly SFSS component =  $\$169.00$  ( $\$39.00 \times 13/3$ , rounded to the nearest dollar).

Do not withhold any amount for HELP/TSL or Financial Supplement debts from lump sum termination payments.

## Rounding of withholding amounts to the nearest dollar

Withholding amounts calculated as a result of applying the formulas are rounded to the nearest dollar. Results ending in 50 cents are rounded to the next higher dollar.

## Accounting software

Software written in accordance with the formulas in this schedule should be tested for accuracy against the [sample data](#). The results obtained when using the coefficients in this schedule may differ slightly from the amounts shown in the PAYG tax tables. The differences result from the rounding of components.

## Coefficients to work out the weekly amounts to withhold including the HELP/TSL component

Your employee's total withholding, including the HELP/TSL component, can be calculated using the formula and coefficients stated below.

### Using a formula

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

- **y** is the weekly withholding amount expressed in dollars
- **x** is the number of whole dollars in the weekly earnings plus 99 cents
- **a** and **b** are the values of the coefficients for each set of formulas for each range of weekly earnings (or, in the case of fortnightly, monthly or quarterly earnings, the weekly equivalent of these amounts).

If two employees are taxed using a particular scale (for example, scale 2) but only one of them has a HELP/TSL debt, you will need to set up two separate scales in your payroll system. One scale will need to incorporate the HELP/TSL component and one that does not – for example, name one 'scale 2' and the other 'scale 22'.

The HELP/TSL component **does not** apply if the employee has not provided a tax file number (TFN).

## Where tax-free threshold not claimed in *Tax file number declaration* – Scale 1

### NO HELP/TSL Debt

Weekly earnings (x) less than \$	a	b
45	0.1900	0.1900
361	0.2321	1.8961
932	0.3477	43.6900
1,188	0.3450	41.1734
3,111	0.3900	94.6542
3,111 & over	0.4900	405.8080

### WITH HELP/TSL Debt

Weekly earnings (x) less than \$	a	b
45	0.1900	0.1900
361	0.2321	1.8961
690	0.3477	43.6900
809	0.3877	43.6900
928	0.3927	43.6900
932	0.3977	43.6900
995	0.3950	41.1734
1,095	0.4000	41.1734
1,188	0.4050	41.1734
1,216	0.4500	94.6542
1,298	0.4550	94.6542
1,464	0.4600	94.6542
1,583	0.4650	94.6542
3,111	0.4700	94.6542
3,111 & over	0.5700	405.8080

Where employee has claimed the tax-free threshold in  
*Tax file number declaration – Scale 2*

**NO HELP/TSL Debt**

Weekly earnings (x) less than \$	a	b
355	-	-
395	0.1900	67.4635
493	0.2900	106.9673
711	0.2100	67.4642
1,282	0.3477	165.4431
1,538	0.3450	161.9815
3,461	0.3900	231.2123
3,461 & over	0.4900	577.3662

**WITH HELP/TSL Debt**

Weekly earnings (x) less than \$	a	b
355	-	-
395	0.1900	67.4635
493	0.2900	106.9673
711	0.2100	67.4642
1,040	0.3477	165.4431
1,159	0.3877	165.4431
1,278	0.3927	165.4431
1,282	0.3977	165.4431
1,345	0.3950	161.9815
1,445	0.4000	161.9815
1,538	0.4050	161.9815

1,566	0.4500	231.2123
1,648	0.4550	231.2123
1,814	0.4600	231.2123
1,933	0.4650	231.2123
3,461	0.4700	231.2123
3,461 & over	0.5700	577.3662

## Foreign residents – Scale 3

### NO HELP/TSL Debt

Weekly earnings (x) less than \$	a	b
1,538	0.3250	0.3250
3,461	0.3700	69.2308
3,461 & over	0.4700	415.3846

### WITH HELP/TSL Debt

Weekly earnings (x) less than \$	a	b
1,040	0.3250	0.3250
1,159	0.3650	0.3250
1,278	0.3700	0.3250
1,345	0.3750	0.3250
1,445	0.3800	0.3250
1,538	0.3850	0.3250
1,566	0.4300	69.2308
1,648	0.4350	69.2308
1,814	0.4400	69.2308
1,933	0.4450	69.2308
3,461	0.4500	69.2308
3,461 & over	0.5500	415.3846

Where employee claimed FULL exemption from Medicare levy in *Medicare levy variation declaration* – Scale 5

**NO HELP/TSL Debt**

Weekly earnings (x) less than \$	a	b
355	-	-
711	0.1900	67.4635
1,282	0.3277	165.4423
1,538	0.3250	161.9808
3,461	0.3700	231.2115
3,461 & over	0.4700	577.3654

**WITH HELP/TSL Debt**

Weekly earnings (x) less than \$	a	b
355	-	-
711	0.1900	67.4635
1,040	0.3277	165.4423
1,159	0.3677	165.4423
1,278	0.3727	165.4423
1,282	0.3777	165.4423
1,345	0.3750	161.9808
1,445	0.3800	161.9808
1,538	0.3850	161.9808
1,566	0.4300	231.2115
1,648	0.4350	231.2115
1,814	0.4400	231.2115
1,933	0.4450	231.2115



3,461	0.4500	231.2115
3,461 & over	0.5500	577.3654

Where employee claimed HALF exemption from Medicare levy in *Medicare levy variation declaration* – Scale 6

**NO HELP/TSL Debt**

<b>Weekly earnings (x) less than \$</b>	<b>a</b>	<b>b</b>
355	-	-
660	0.1900	67.4635
711	0.2400	100.5087
826	0.3777	198.4875
1282	0.3377	165.4429
1538	0.3350	161.9813
3461	0.3800	231.2121
3461 & over	0.4800	577.3660

**WITH HELP/TSL Debt**

<b>Weekly earnings (x) less than \$</b>	<b>a</b>	<b>b</b>
355	-	-
660	0.1900	67.4635
711	0.2400	100.5087
826	0.3777	198.4875
1,040	0.3377	165.4429
1,159	0.3777	165.4429
1,278	0.3827	165.4429
1,282	0.3877	165.4429
1,345	0.3850	161.9813
1,445	0.3900	161.9813

1,538	0.3950	161.9813
1,566	0.4400	231.2121
1,648	0.4450	231.2121
1,814	0.4500	231.2121
1,933	0.4550	231.2121
3,461	0.4600	231.2121
3,461 & over	0.5600	577.3660

Withholding amounts including the HELP/TSL component worked out using the coefficients may differ slightly from the sums of the amounts shown in the PAYG and HELP/TSL tax tables. The differences result from the rounding of components.

## Sample data

### With tax-free threshold

<b>Weekly earnings \$</b>	<b>Weekly HELP/TSL component \$</b>	<b>Fortnightly earnings \$</b>	<b>Fortnightly HELP/TSL component \$</b>	<b>Monthly earnings \$</b>	<b>Monthly HELP/TSL component \$</b>
1040	42.00	2080	84.00	4506.67	182.00
1041	42.00	2082	84.00	4511.00	182.00
1158	46.00	2316	92.00	5018.00	199.00
1159	52.00	2318	104.00	5022.33	225.00
1160	52.00	2320	104.00	5026.67	225.00
1277	58.00	2554	116.00	5533.67	251.00
1278	64.00	2556	128.00	5538.00	277.00
1344	67.00	2688	134.00	5824.00	290.00
1345	74.00	2690	148.00	5828.33	321.00
1346	74.00	2692	148.00	5832.67	321.00
1444	79.00	2888	158.00	6257.33	342.00
1445	87.00	2890	174.00	6261.67	377.00
1446	87.00	2892	174.00	6266.00	377.00
1565	94.00	3130	188.00	6781.67	407.00
1566	102.00	3132	204.00	6786.00	442.00

1647	107.00	3294	214.00	7137.00	464.00
1648	115.00	3296	230.00	7141.33	498.00
1813	127.00	3626	254.00	7856.33	550.00
1814	136.00	3628	272.00	7860.67	589.00
1932	145.00	3864	290.00	8372.00	628.00
1933	155.00	3866	310.00	8376.33	672.00

## Weekly withholding amounts including HELP/TSL component

### Amounts to be withheld

<b>Weekly earnings \$</b>	<b>Scale 1 No tax-free threshold \$</b>	<b>Scale 2 With tax-free threshold \$</b>	<b>Scale 3 Foreign resident \$</b>	<b>Scale 5 Full Medicare exemption \$</b>	<b>Scale 6 Half Medicare exemption \$</b>
44	8.00	-	14.00	-	-
45	9.00	-	15.00	-	-
116	25.00	-	38.00	-	-
117	25.00	-	38.00	-	-
249	56.00	-	81.00	-	-
250	56.00	-	81.00	-	-
354	80.00	-	115.00	-	-
355	81.00	-	115.00	-	-
360	82.00	1.00	117.00	1.00	1.00
361	82.00	1.00	117.00	1.00	1.00
394	94.00	8.00	128.00	8.00	8.00
395	94.00	8.00	128.00	8.00	8.00
492	128.00	36.00	160.00	26.00	26.00
493	128.00	36.00	160.00	26.00	26.00
659	186.00	71.00	214.00	58.00	58.00
660	186.00	71.00	214.00	58.00	58.00
689	196.00	77.00	224.00	64.00	65.00
690	224.00	78.00	224.00	64.00	65.00

710	232.00	82.00	231.00	68.00	70.00
711	232.00	82.00	231.00	68.00	70.00
808	270.00	116.00	263.00	100.00	107.00
809	274.00	116.00	263.00	100.00	107.00
825	281.00	122.00	268.00	105.00	113.00
826	281.00	122.00	268.00	106.00	114.00
927	321.00	157.00	301.00	139.00	148.00
928	326.00	158.00	302.00	139.00	148.00
931	327.00	159.00	303.00	140.00	149.00
932	327.00	159.00	303.00	140.00	150.00
994	352.00	181.00	323.00	161.00	171.00
995	357.00	181.00	323.00	161.00	171.00
1039	375.00	196.00	338.00	175.00	186.00
1040	375.00	238.00	380.00	217.00	228.00
1094	397.00	259.00	399.00	237.00	248.00
1095	403.00	259.00	400.00	238.00	249.00
1158	428.00	284.00	423.00	261.00	272.00
1159	429.00	290.00	429.00	267.00	278.00
1187	440.00	301.00	439.00	277.00	289.00
1188	440.00	301.00	440.00	278.00	290.00
1215	453.00	312.00	450.00	288.00	300.00
1216	459.00	312.00	450.00	288.00	300.00
1277	487.00	336.00	473.00	311.00	324.00
1278	487.00	343.00	479.00	318.00	330.00
1282	489.00	345.00	481.00	319.00	332.00
1297	496.00	351.00	486.00	325.00	338.00
1298	503.00	351.00	487.00	325.00	338.00
1344	524.00	369.00	504.00	342.00	356.00
1345	525.00	376.00	511.00	349.00	363.00
1347	525.00	377.00	512.00	350.00	364.00

1444	570.00	416.00	549.00	387.00	402.00
1445	571.00	424.00	556.00	395.00	409.00
1464	587.00	431.00	564.00	402.00	417.00
1537	621.00	461.00	592.00	430.00	446.00
1538	621.00	461.00	593.00	431.00	446.00
1565	634.00	473.00	604.00	442.00	458.00
1566	634.00	482.00	612.00	450.00	466.00
1582	641.00	489.00	619.00	457.00	473.00
1583	650.00	490.00	620.00	458.00	474.00
1647	680.00	519.00	648.00	486.00	502.00
1648	680.00	527.00	656.00	494.00	511.00
1813	758.00	603.00	729.00	567.00	585.00
1814	758.00	613.00	738.00	576.00	595.00
1844	772.00	627.00	752.00	590.00	608.00
1845	773.00	627.00	752.00	590.00	609.00
1932	814.00	668.00	791.00	629.00	648.00
1933	814.00	678.00	801.00	639.00	658.00
2119	902.00	765.00	885.00	723.00	744.00
2120	902.00	766.00	885.00	723.00	744.00
2490	1076.00	940.00	1052.00	890.00	915.00
2491	1077.00	940.00	1052.00	890.00	915.00
2652	1152.00	1016.00	1125.00	963.00	989.00
2653	1153.00	1016.00	1125.00	963.00	990.00
2736	1192.00	1055.00	1162.00	1000.00	1028.00
2737	1192.00	1056.00	1163.00	1001.00	1028.00
2898	1268.00	1131.00	1235.00	1073.00	1102.00
2899	1268.00	1132.00	1236.00	1074.00	1103.00
2913	1275.00	1138.00	1242.00	1080.00	1109.00
2914	1275.00	1139.00	1243.00	1081.00	1110.00
3110	1368.00	1231.00	1331.00	1169.00	1200.00

3111	1368.00	1231.00	1331.00	1169.00	1200.00
3461	1568.00	1396.00	1489.00	1327.00	1361.00

## Fortnightly withholding amounts including HELP/TSL component

### Amounts to be withheld

Fortnightly earnings \$	Scale 1 No tax-free threshold \$	Scale 2 With tax-free threshold \$	Scale 3 Foreign resident \$	Scale 5 Full Medicare exemption \$	Scale 6 Half Medicare exemption \$
88	16.00	-	28.00	-	-
90	18.00	-	30.00	-	-
232	50.00	-	76.00	-	-
234	50.00	-	76.00	-	-
498	112.00	-	162.00	-	-
500	112.00	-	162.00	-	-
708	160.00	-	230.00	-	-
710	162.00	-	230.00	-	-
720	164.00	2.00	234.00	2.00	2.00
722	164.00	2.00	234.00	2.00	2.00
788	188.00	16.00	256.00	16.00	16.00
790	188.00	16.00	256.00	16.00	16.00
984	256.00	72.00	320.00	52.00	52.00
986	256.00	72.00	320.00	52.00	52.00
1318	372.00	142.00	428.00	116.00	116.00
1320	372.00	142.00	428.00	116.00	116.00
1378	392.00	154.00	448.00	128.00	130.00
1380	448.00	156.00	448.00	128.00	130.00
1420	464.00	164.00	462.00	136.00	140.00
1422	464.00	164.00	462.00	136.00	140.00
1616	540.00	232.00	526.00	200.00	214.00
1618	548.00	232.00	526.00	200.00	214.00
1650	562.00	244.00	536.00	210.00	226.00
1652	562.00	244.00	536.00	212.00	228.00

1854	642.00	314.00	602.00	278.00	296.00
1856	652.00	316.00	604.00	278.00	296.00
1862	654.00	318.00	606.00	280.00	298.00
1864	654.00	318.00	606.00	280.00	300.00
1988	704.00	362.00	646.00	322.00	342.00
1990	714.00	362.00	646.00	322.00	342.00
2078	750.00	392.00	676.00	350.00	372.00
2080	750.00	476.00	760.00	434.00	456.00
2188	794.00	518.00	798.00	474.00	496.00
2190	806.00	518.00	800.00	476.00	498.00
2316	856.00	568.00	846.00	522.00	544.00
2318	858.00	580.00	858.00	534.00	556.00
2374	880.00	602.00	878.00	554.00	578.00
2376	880.00	602.00	880.00	556.00	580.00
2430	906.00	624.00	900.00	576.00	600.00
2432	918.00	624.00	900.00	576.00	600.00
2554	974.00	672.00	946.00	622.00	648.00
2556	974.00	686.00	958.00	636.00	660.00
2564	978.00	690.00	962.00	638.00	664.00
2594	992.00	702.00	972.00	650.00	676.00
2596	1006.00	702.00	974.00	650.00	676.00
2688	1048.00	738.00	1008.00	684.00	712.00
2690	1050.00	752.00	1022.00	698.00	726.00
2694	1050.00	754.00	1024.00	700.00	728.00
2888	1140.00	832.00	1098.00	774.00	804.00
2890	1142.00	848.00	1112.00	790.00	818.00
2928	1174.00	862.00	1128.00	804.00	834.00
3074	1242.00	922.00	1184.00	860.00	892.00
3076	1242.00	922.00	1186.00	862.00	892.00
3130	1268.00	946.00	1208.00	884.00	916.00



3132	1268.00	964.00	1224.00	900.00	932.00
3164	1282.00	978.00	1238.00	914.00	946.00
3166	1300.00	980.00	1240.00	916.00	948.00
3294	1360.00	1038.00	1296.00	972.00	1004.00
3296	1360.00	1054.00	1312.00	988.00	1022.00
3626	1516.00	1206.00	1458.00	1134.00	1170.00
3628	1516.00	1226.00	1476.00	1152.00	1190.00
3688	1544.00	1254.00	1504.00	1180.00	1216.00
3690	1546.00	1254.00	1504.00	1180.00	1218.00
3864	1628.00	1336.00	1582.00	1258.00	1296.00
3866	1628.00	1356.00	1602.00	1278.00	1316.00
4238	1804.00	1530.00	1770.00	1446.00	1488.00
4240	1804.00	1532.00	1770.00	1446.00	1488.00
4980	2152.00	1880.00	2104.00	1780.00	1830.00
4982	2154.00	1880.00	2104.00	1780.00	1830.00
5304	2304.00	2032.00	2250.00	1926.00	1978.00
5306	2306.00	2032.00	2250.00	1926.00	1980.00
5472	2384.00	2110.00	2324.00	2000.00	2056.00
5474	2384.00	2112.00	2326.00	2002.00	2056.00
5796	2536.00	2262.00	2470.00	2146.00	2204.00
5798	2536.00	2264.00	2472.00	2148.00	2206.00
5826	2550.00	2276.00	2484.00	2160.00	2218.00
5828	2550.00	2278.00	2486.00	2162.00	2220.00
6220	2736.00	2462.00	2662.00	2338.00	2400.00
6222	2736.00	2462.00	2662.00	2338.00	2400.00
6922	3136.00	2792.00	2978.00	2654.00	2722.00

## Monthly withholding amounts including HELP/TSL component

### Amounts to be withheld

Monthly earnings \$	Scale 1 No tax-free threshold \$	Scale 2 With tax-free threshold \$	Scale 3 Foreign resident \$	Scale 5 Full Medicare exemption \$	Scale 6 Half Medicare exemption \$
190.67	35.00	-	61.00	-	-
195.00	39.00	-	65.00	-	-
502.67	108.00	-	165.00	-	-
507.00	108.00	-	165.00	-	-
1079.00	243.00	-	351.00	-	-
1083.33	243.00	-	351.00	-	-
1534.00	347.00	-	498.00	-	-
1538.33	351.00	-	498.00	-	-
1560.00	355.00	4.00	507.00	4.00	4.00
1564.33	355.00	4.00	507.00	4.00	4.00
1707.33	407.00	35.00	555.00	35.00	35.00
1711.67	407.00	35.00	555.00	35.00	35.00
2132.00	555.00	156.00	693.00	113.00	113.00
2136.33	555.00	156.00	693.00	113.00	113.00
2855.67	806.00	308.00	927.00	251.00	251.00
2860.00	806.00	308.00	927.00	251.00	251.00
2985.67	849.00	334.00	971.00	277.00	282.00
2990.00	971.00	338.00	971.00	277.00	282.00
3076.67	1005.00	355.00	1001.00	295.00	303.00
3081.00	1005.00	355.00	1001.00	295.00	303.00
3501.33	1170.00	503.00	1140.00	433.00	464.00
3505.67	1187.00	503.00	1140.00	433.00	464.00
3575.00	1218.00	529.00	1161.00	455.00	490.00
3579.33	1218.00	529.00	1161.00	459.00	494.00

4017.00	1391.00	680.00	1304.00	602.00	641.00
4021.33	1413.00	685.00	1309.00	602.00	641.00
4034.33	1417.00	689.00	1313.00	607.00	646.00
4038.67	1417.00	689.00	1313.00	607.00	650.00
4307.33	1525.00	784.00	1400.00	698.00	741.00
4311.67	1547.00	784.00	1400.00	698.00	741.00
4502.33	1625.00	849.00	1465.00	758.00	806.00
4506.67	1625.00	1031.00	1647.00	940.00	988.00
4740.67	1720.00	1122.00	1729.00	1027.00	1075.00
4745.00	1746.00	1122.00	1733.00	1031.00	1079.00
5018.00	1855.00	1231.00	1833.00	1131.00	1179.00
5022.33	1859.00	1257.00	1859.00	1157.00	1205.00
5143.67	1907.00	1304.00	1902.00	1200.00	1252.00
5148.00	1907.00	1304.00	1907.00	1205.00	1257.00
5265.00	1963.00	1352.00	1950.00	1248.00	1300.00
5269.33	1989.00	1352.00	1950.00	1248.00	1300.00
5533.67	2110.00	1456.00	2050.00	1348.00	1404.00
5538.00	2110.00	1486.00	2076.00	1378.00	1430.00
5555.33	2119.00	1495.00	2084.00	1382.00	1439.00
5620.33	2149.00	1521.00	2106.00	1408.00	1465.00
5624.67	2180.00	1521.00	2110.00	1408.00	1465.00
5824.00	2271.00	1599.00	2184.00	1482.00	1543.00
5828.33	2275.00	1629.00	2214.00	1512.00	1573.00
5837.00	2275.00	1634.00	2219.00	1517.00	1577.00
6257.33	2470.00	1803.00	2379.00	1677.00	1742.00
6261.67	2474.00	1837.00	2409.00	1712.00	1772.00
6344.00	2544.00	1868.00	2444.00	1742.00	1807.00
6660.33	2691.00	1998.00	2565.00	1863.00	1933.00
6664.67	2691.00	1998.00	2570.00	1868.00	1933.00
6781.67	2747.00	2050.00	2617.00	1915.00	1985.00

6786.00	2747.00	2089.00	2652.00	1950.00	2019.00
6855.33	2778.00	2119.00	2682.00	1980.00	2050.00
6859.67	2817.00	2123.00	2687.00	1985.00	2054.00
7137.00	2947.00	2249.00	2808.00	2106.00	2175.00
7141.33	2947.00	2284.00	2843.00	2141.00	2214.00
7856.33	3285.00	2613.00	3159.00	2457.00	2535.00
7860.67	3285.00	2656.00	3198.00	2496.00	2578.00
7990.67	3345.00	2717.00	3259.00	2557.00	2635.00
7995.00	3350.00	2717.00	3259.00	2557.00	2639.00
8372.00	3527.00	2895.00	3428.00	2726.00	2808.00
8376.33	3527.00	2938.00	3471.00	2769.00	2851.00
9182.33	3909.00	3315.00	3835.00	3133.00	3224.00
9186.67	3909.00	3319.00	3835.00	3133.00	3224.00
10790.00	4663.00	4073.00	4559.00	3857.00	3965.00
10794.33	4667.00	4073.00	4559.00	3857.00	3965.00
11492.00	4992.00	4403.00	4875.00	4173.00	4286.00
11496.33	4996.00	4403.00	4875.00	4173.00	4290.00
11856.00	5165.00	4572.00	5035.00	4333.00	4455.00
11860.33	5165.00	4576.00	5040.00	4338.00	4455.00
12558.00	5495.00	4901.00	5352.00	4650.00	4775.00
12562.33	5495.00	4905.00	5356.00	4654.00	4780.00
12623.00	5525.00	4931.00	5382.00	4680.00	4806.00
12627.33	5525.00	4936.00	5386.00	4684.00	4810.00
13476.67	5928.00	5334.00	5768.00	5066.00	5200.00
13481.00	5928.00	5334.00	5768.00	5066.00	5200.00
14997.67	6795.00	6049.00	6452.00	5750.00	5898.00

# Coefficients to work out the weekly amounts to withhold including the SFSS component

Your employee's total withholding, including the SFSS component, can be calculated using the formula and coefficients stated below.

## Using a formula

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

- **y** is the weekly withholding amount expressed in dollars
- **x** is the number of whole dollars in the weekly earnings plus 99 cents
- **a** and **b** are the values of the coefficients for each set of formulas for each range of weekly earnings (or, in the case of fortnightly, monthly or quarterly earnings, the weekly equivalent of these amounts).

If two employees are taxed using a particular scale (for example, scale 2) but only one of them has a Financial Supplement Debt, you will need to set up two separate scales in your payroll system. One scale will need to incorporate the SFSS component and one that does not – for example, name one 'scale 2' and the other 'scale 22'.

The SFSS component **does not** apply if the employee has not provided a tax file number (TFN).

## Where tax-free threshold not claimed in *Tax file number declaration* – Scale 1

### NO FS Debt

Weekly earnings (x) less than \$	a	b
45	0.1900	0.1900
361	0.2321	1.8961
932	0.3477	43.6900
1,188	0.3450	41.1734
3,111	0.3900	94.6542
3,111 & over	0.4900	405.8080

**WITH FS Debt**

Weekly earnings (x) less than \$	a	b
45	0.1900	0.1900
361	0.2321	1.8961
690	0.3477	43.6900
928	0.3677	43.6900
932	0.3777	43.6900
1,188	0.3750	41.1734
1,464	0.4200	94.6542
3,111	0.4300	94.6542
3,111 & over	0.5300	405.8080

Where employee has claimed the tax-free threshold in  
*Tax file number declaration – Scale 2*

**NO FS Debt**

Weekly earnings (x) less than \$	a	b
355	-	-
395	0.1900	67.4635
493	0.2900	106.9673
711	0.2100	67.4642
1,282	0.3477	165.4431
1,538	0.3450	161.9815
3,461	0.3900	231.2123
3,461 & over	0.4900	577.3662

**WITH FS Debt**

Weekly earnings (x) less than \$	a	b
355	-	-

395	0.1900	67.4635
493	0.2900	106.9673
711	0.2100	67.4642
1,040	0.3477	165.4431
1,278	0.3677	165.4431
1,282	0.3777	165.4431
1,538	0.3750	161.9815
1,814	0.4200	231.2123
3,461	0.4300	231.2123
3,461 & over	0.5300	577.3662

## Foreign residents – Scale 3

### NO FS Debt

Weekly earnings (x) less than \$	a	b
1,538	0.3250	0.3250
3,461	0.3700	69.2308
3,461 & over	0.4700	415.3846

### WITH FS Debt

Weekly earnings (x) less than \$	a	b
1,040	0.3250	0.3250
1,278	0.3450	0.3250
1,538	0.3550	0.3250
1,814	0.4000	69.2308
3,461	0.4100	69.2308
3,461 & over	0.5100	415.3846

Where employee claimed FULL exemption from Medicare levy in *Medicare levy variation declaration* – Scale 5

**NO FS Debt**

Weekly earnings (x) less than \$	a	b
355	-	-
711	0.1900	67.4635
1,282	0.3277	165.4423
1,538	0.3250	161.9808
3,461	0.3700	231.2115
3,461 & over	0.4700	577.3654

**WITH FS Debt**

Weekly earnings (x) less than \$	a	b
355	-	-
711	0.1900	67.4635
1,040	0.3277	165.4423
1,278	0.3477	165.4423
1,282	0.3577	165.4423
1,538	0.3550	161.9808
1,814	0.4000	231.2115
3,461	0.4100	231.2115
3,461 & over	0.5100	577.3654



# Where employee claimed HALF exemption from Medicare levy in *Medicare levy variation declaration* – Scale 6

## NO FS Debt

Weekly earnings (x) less than \$	a	b
355	-	-
660	0.1900	67.4635
711	0.2400	100.5087
826	0.3777	198.4875
1,282	0.3377	165.4429
1,538	0.3350	161.9813
3,461	0.3800	231.2121
3,461 & over	0.4800	577.3660

## WITH FS Debt

Weekly earnings (x) less than \$	a	b
355	-	-
660	0.1900	67.4635
711	0.2400	100.5087
826	0.3777	198.4875
1,040	0.3377	165.4429
1,278	0.3577	165.4429
1,282	0.3677	165.4429
1,538	0.3650	161.9813
1,814	0.4100	231.2121
3,461	0.4200	231.2121
3,461 & over	0.5200	577.3660

Withholding amounts including the SFSS component worked out using the coefficients may differ slightly from the amounts shown in the PAYG and SFSS tax tables. The differences

result from the rounding of components.

# Sample data

With tax-free threshold

## Amounts to be withheld

Weekly earnings \$	Weekly SFSS component \$	Fortnightly earnings \$	Fortnightly SFSS component \$	Monthly earnings \$	Monthly SFSS component \$
1040	21.00	2080	42.00	4506.67	91.00
1041	21.00	2082	42.00	4511.00	91.00
1119	22.00	2238	44.00	4849.00	95.00
1120	22.00	2240	44.00	4853.33	95.00
1198	24.00	2396	48.00	5191.33	104.00
1199	24.00	2398	48.00	5195.67	104.00
1277	26.00	2554	52.00	5533.67	113.00
1278	38.00	2556	76.00	5538.00	165.00
1279	38.00	2558	76.00	5542.33	165.00
1412	42.00	2824	84.00	6118.67	182.00
1413	42.00	2826	84.00	6123.00	182.00
1545	46.00	3090	92.00	6695.00	199.00
1546	46.00	3092	92.00	6699.33	199.00
1679	50.00	3358	100.00	7275.67	217.00
1680	50.00	3360	100.00	7280.00	217.00
1681	50.00	3362	100.00	7284.33	217.00
1813	54.00	3626	108.00	7856.33	234.00
1814	73.00	3628	146.00	7860.67	316.00
1815	73.00	3630	146.00	7865.00	316.00
1934	77.00	3868	154.00	8380.67	334.00
1935	77.00	3870	154.00	8385.00	334.00

## Weekly withholding amounts including SFSS component

### Amounts to be withheld

Weekly earnings \$	Scale 1 No tax-free threshold \$	Scale 2 With tax-free threshold \$	Scale 3 Foreign resident \$	Scale 5 Full Medicare exemption \$	Scale 6 Half Medicare exemption \$
44	8.00	-	14.00	-	-
45	9.00	-	15.00	-	-
116	25.00	-	38.00	-	-
117	25.00	-	38.00	-	-
249	56.00	-	81.00	-	-
250	56.00	-	81.00	-	-
354	80.00	-	115.00	-	-
355	81.00	-	115.00	-	-
360	82.00	1.00	117.00	1.00	1.00
361	82.00	1.00	117.00	1.00	1.00
394	94.00	8.00	128.00	8.00	8.00
395	94.00	8.00	128.00	8.00	8.00
492	128.00	36.00	160.00	26.00	26.00
493	128.00	36.00	160.00	26.00	26.00
659	186.00	71.00	214.00	58.00	58.00
660	186.00	71.00	214.00	58.00	58.00
689	196.00	77.00	224.00	64.00	65.00
690	210.00	78.00	224.00	64.00	65.00
710	218.00	82.00	231.00	68.00	70.00
711	218.00	82.00	231.00	68.00	70.00
825	260.00	122.00	268.00	105.00	113.00
826	260.00	122.00	268.00	106.00	114.00
927	298.00	157.00	301.00	139.00	148.00
928	307.00	158.00	302.00	139.00	148.00

931	308.00	159.00	303.00	140.00	149.00
932	309.00	159.00	303.00	140.00	150.00
1039	349.00	196.00	338.00	175.00	186.00
1040	349.00	217.00	359.00	197.00	207.00
1187	404.00	271.00	410.00	248.00	260.00
1188	405.00	272.00	410.00	248.00	260.00
1277	442.00	304.00	441.00	279.00	292.00
1278	443.00	318.00	454.00	292.00	305.00
1281	444.00	319.00	455.00	293.00	306.00
1282	444.00	319.00	455.00	293.00	306.00
1463	520.00	387.00	519.00	358.00	372.00
1464	535.00	387.00	520.00	358.00	373.00
1537	567.00	415.00	546.00	384.00	399.00
1538	567.00	415.00	546.00	384.00	400.00
1813	685.00	531.00	656.00	494.00	513.00
1814	686.00	549.00	675.00	513.00	531.00
1844	699.00	562.00	687.00	525.00	544.00
1845	699.00	563.00	688.00	526.00	544.00
2119	817.00	680.00	800.00	638.00	659.00
2120	817.00	681.00	800.00	638.00	660.00
2490	976.00	840.00	952.00	790.00	815.00
2491	977.00	840.00	952.00	791.00	815.00
2652	1046.00	910.00	1018.00	857.00	883.00
2653	1047.00	910.00	1019.00	857.00	883.00
2736	1082.00	946.00	1053.00	891.00	918.00
2737	1083.00	946.00	1053.00	891.00	919.00
2898	1152.00	1015.00	1119.00	957.00	986.00
2899	1152.00	1016.00	1120.00	958.00	987.00
2913	1158.00	1022.00	1126.00	964.00	993.00
2914	1159.00	1022.00	1126.00	964.00	993.00

3110	1243.00	1107.00	1206.00	1044.00	1075.00
3111	1244.00	1107.00	1207.00	1045.00	1076.00
3460	1429.00	1257.00	1350.00	1188.00	1222.00
3461	1429.00	1257.00	1350.00	1188.00	1223.00

## Fortnightly withholding amounts including SFSS component

### Amounts to be withheld

<b>Fortnightly earnings \$</b>	<b>Scale 1 No tax-free threshold \$</b>	<b>Scale 2 With tax-free threshold \$</b>	<b>Scale 3 Foreign resident \$</b>	<b>Scale 5 Full Medicare exemption \$</b>	<b>Scale 6 Half Medicare exemption \$</b>
88	16.00	-	28.00	-	-
90	18.00	-	30.00	-	-
232	50.00	-	76.00	-	-
234	50.00	-	76.00	-	-
498	112.00	-	162.00	-	-
500	112.00	-	162.00	-	-
708	160.00	-	230.00	-	-
710	162.00	-	230.00	-	-
720	164.00	2.00	234.00	2.00	2.00
722	164.00	2.00	234.00	2.00	2.00
788	188.00	16.00	256.00	16.00	16.00
790	188.00	16.00	256.00	16.00	16.00
984	256.00	72.00	320.00	52.00	52.00
986	256.00	72.00	320.00	52.00	52.00
1318	372.00	142.00	428.00	116.00	116.00
1320	372.00	142.00	428.00	116.00	116.00
1378	392.00	154.00	448.00	128.00	130.00
1380	420.00	156.00	448.00	128.00	130.00
1420	436.00	164.00	462.00	136.00	140.00
1422	436.00	164.00	462.00	136.00	140.00

1650	520.00	244.00	536.00	210.00	226.00
1652	520.00	244.00	536.00	212.00	228.00
1854	596.00	314.00	602.00	278.00	296.00
1856	614.00	316.00	604.00	278.00	296.00
1862	616.00	318.00	606.00	280.00	298.00
1864	618.00	318.00	606.00	280.00	300.00
2078	698.00	392.00	676.00	350.00	372.00
2080	698.00	434.00	718.00	394.00	414.00
2374	808.00	542.00	820.00	496.00	520.00
2376	810.00	544.00	820.00	496.00	520.00
2554	884.00	608.00	882.00	558.00	584.00
2556	886.00	636.00	908.00	584.00	610.00
2562	888.00	638.00	910.00	586.00	612.00
2564	888.00	638.00	910.00	586.00	612.00
2926	1040.00	774.00	1038.00	716.00	744.00
2928	1070.00	774.00	1040.00	716.00	746.00
3074	1134.00	830.00	1092.00	768.00	798.00
3076	1134.00	830.00	1092.00	768.00	800.00
3626	1370.00	1062.00	1312.00	988.00	1026.00
3628	1372.00	1098.00	1350.00	1026.00	1062.00
3688	1398.00	1124.00	1374.00	1050.00	1088.00
3690	1398.00	1126.00	1376.00	1052.00	1088.00
4238	1634.00	1360.00	1600.00	1276.00	1318.00
4240	1634.00	1362.00	1600.00	1276.00	1320.00
4980	1952.00	1680.00	1904.00	1580.00	1630.00
4982	1954.00	1680.00	1904.00	1582.00	1630.00
5304	2092.00	1820.00	2036.00	1714.00	1766.00
5306	2094.00	1820.00	2038.00	1714.00	1766.00
5472	2164.00	1892.00	2106.00	1782.00	1836.00
5474	2166.00	1892.00	2106.00	1782.00	1838.00

5796	2304.00	2030.00	2238.00	1914.00	1972.00
5798	2304.00	2032.00	2240.00	1916.00	1974.00
5826	2316.00	2044.00	2252.00	1928.00	1986.00
5828	2318.00	2044.00	2252.00	1928.00	1986.00
6220	2486.00	2214.00	2412.00	2088.00	2150.00
6222	2488.00	2214.00	2414.00	2090.00	2152.00
6920	2858.00	2514.00	2700.00	2376.00	2444.00
6922	2858.00	2514.00	2700.00	2376.00	2446.00

## Monthly withholding amounts including SFSS component

### Amounts to be withheld

Monthly earnings \$	Scale 1 No tax-free threshold \$	Scale 2 With tax-free threshold \$	Scale 3 Foreign resident \$	Scale 5 Full Medicare exemption \$	Scale 6 Half Medicare exemption \$
190.67	35.00	-	61.00	-	-
195.00	39.00	-	65.00	-	-
502.67	108.00	-	165.00	-	-
507.00	108.00	-	165.00	-	-
1079.00	243.00	-	351.00	-	-
1083.33	243.00	-	351.00	-	-
1534.00	347.00	-	498.00	-	-
1538.33	351.00	-	498.00	-	-
1560.00	355.00	4.00	507.00	4.00	4.00
1564.33	355.00	4.00	507.00	4.00	4.00
1707.33	407.00	35.00	555.00	35.00	35.00
1711.67	407.00	35.00	555.00	35.00	35.00
2132.00	555.00	156.00	693.00	113.00	113.00
2136.33	555.00	156.00	693.00	113.00	113.00
2855.67	806.00	308.00	927.00	251.00	251.00
2860.00	806.00	308.00	927.00	251.00	251.00



2985.67	849.00	334.00	971.00	277.00	282.00
2990.00	910.00	338.00	971.00	277.00	282.00
3076.67	945.00	355.00	1001.00	295.00	303.00
3081.00	945.00	355.00	1001.00	295.00	303.00
3575.00	1127.00	529.00	1161.00	455.00	490.00
3579.33	1127.00	529.00	1161.00	459.00	494.00
4017.00	1291.00	680.00	1304.00	602.00	641.00
4021.33	1330.00	685.00	1309.00	602.00	641.00
4034.33	1335.00	689.00	1313.00	607.00	646.00
4038.67	1339.00	689.00	1313.00	607.00	650.00
4502.33	1512.00	849.00	1465.00	758.00	806.00
4506.67	1512.00	940.00	1556.00	854.00	897.00
5143.67	1751.00	1174.00	1777.00	1075.00	1127.00
5148.00	1755.00	1179.00	1777.00	1075.00	1127.00
5533.67	1915.00	1317.00	1911.00	1209.00	1265.00
5538.00	1920.00	1378.00	1967.00	1265.00	1322.00
5551.00	1924.00	1382.00	1972.00	1270.00	1326.00
5555.33	1924.00	1382.00	1972.00	1270.00	1326.00
6339.67	2253.00	1677.00	2249.00	1551.00	1612.00
6344.00	2318.00	1677.00	2253.00	1551.00	1616.00
6660.33	2457.00	1798.00	2366.00	1664.00	1729.00
6664.67	2457.00	1798.00	2366.00	1664.00	1733.00
7856.33	2968.00	2301.00	2843.00	2141.00	2223.00
7860.67	2973.00	2379.00	2925.00	2223.00	2301.00
7990.67	3029.00	2435.00	2977.00	2275.00	2357.00
7995.00	3029.00	2440.00	2981.00	2279.00	2357.00
9182.33	3540.00	2947.00	3467.00	2765.00	2856.00
9186.67	3540.00	2951.00	3467.00	2765.00	2860.00
10790.00	4229.00	3640.00	4125.00	3423.00	3532.00
10794.33	4234.00	3640.00	4125.00	3428.00	3532.00

11492.00	4533.00	3943.00	4411.00	3714.00	3826.00
11496.33	4537.00	3943.00	4416.00	3714.00	3826.00
11856.00	4689.00	4099.00	4563.00	3861.00	3978.00
11860.33	4693.00	4099.00	4563.00	3861.00	3982.00
12558.00	4992.00	4398.00	4849.00	4147.00	4273.00
12562.33	4992.00	4403.00	4853.00	4151.00	4277.00
12623.00	5018.00	4429.00	4879.00	4177.00	4303.00
12627.33	5022.00	4429.00	4879.00	4177.00	4303.00
13476.67	5386.00	4797.00	5226.00	4524.00	4658.00
13481.00	5391.00	4797.00	5230.00	4528.00	4663.00
14993.33	6192.00	5447.00	5850.00	5148.00	5295.00
14997.67	6192.00	5447.00	5850.00	5148.00	5300.00

## Coefficients to work out the weekly amounts to withhold including HELP/TSL and SFSS components

Your employee's total withholding, including the HELP/TSL and SFSS components, can be calculated using the formula and coefficients stated below.

### Using a formula

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

**y** is the weekly withholding amount expressed in dollars

**x** is the number of whole dollars in the weekly earnings plus 99 cents

**a** and **b** are the values of the coefficients for each set of formulas for each range of weekly earnings (or, in the case of fortnightly, monthly or quarterly earnings, the weekly equivalent of these amounts).

If two employees are taxed using a particular scale (for example, scale 2) but only one of them has a HELP/TSL debt and a Financial Supplement debt, you will need to set up two separate scales in your payroll system. One scale will need to incorporate the HELP/TSL and SFSS components and one that does not – for example, name one 'scale 2' and the other 'scale 22'.

The HELP/TSL and SFSS components **do not** apply if the employee has not provided a tax file number (TFN).

## Where tax-free threshold not claimed in *Tax file number declaration* – Scale 1

### NO HELP/TSL and FS Debt

Weekly earnings (x) less than \$	a	b
45	0.1900	0.1900
361	0.2321	1.8961
932	0.3477	43.6900
1,188	0.3450	41.1734
3,111	0.3900	94.6542
3,111 & over	0.4900	405.8080

### WITH HELP/TSL and FS Debt

Weekly earnings (x) less than \$	a	b
45	0.1900	0.1900
361	0.2321	1.8961
690	0.3477	43.6900
809	0.4077	43.6900
928	0.4127	43.6900
932	0.4277	43.6900
995	0.4250	41.1734
1,095	0.4300	41.1734
1,188	0.4350	41.1734
1,216	0.4800	94.6542
1,298	0.4850	94.6542
1,464	0.4900	94.6542
1,583	0.5050	94.6542
3,111	0.5100	94.6542
3,111 & over	0.6100	405.8080

Where employee has claimed the tax-free threshold in  
*Tax file number declaration – Scale 2*

**NO HELP/TSL and FS Debt**

Weekly earnings (x) less than \$	a	b
355	-	-
395	0.1900	67.4635
493	0.2900	106.9673
711	0.2100	67.4642
1,282	0.3477	165.4431
1,538	0.3450	161.9815
3,461	0.3900	231.2123
3,461 & over	0.4900	577.3662

**WITH HELP/TSL and FS Debt**

Weekly earnings (x) less than \$	a	b
355	-	-
395	0.1900	67.4635
493	0.2900	106.9673
711	0.2100	67.4642
1,040	0.3477	165.4431
1,159	0.4077	165.4431
1,278	0.4127	165.4431
1,282	0.4277	165.4431
1,345	0.4250	161.9815
1,445	0.4300	161.9815
1,538	0.4350	161.9815
1,566	0.4800	231.2123
1,648	0.4850	231.2123

1,814	0.4900	231.2123
1,933	0.5050	231.2123
3,461	0.5100	231.2123
3,461 & over	0.6100	577.3662

## Foreign residents – Scale 3

### NO HELP/TSL and FS Debt

Weekly earnings (x) less than \$	a	b
1,538	0.3250	0.3250
3,461	0.3700	69.2308
3,461 & over	0.4700	415.3846

### WITH HELP/TSL and FS Debt

Weekly earnings (x) less than \$	a	b
1,040	0.3250	0.3250
1,159	0.3850	0.3250
1,278	0.3900	0.3250
1,345	0.4050	0.3250
1,445	0.4100	0.3250
1,538	0.4150	0.3250
1,566	0.4600	69.2308
1,648	0.4650	69.2308
1,814	0.4700	69.2308
1,933	0.4850	69.2308
3,461	0.4900	69.2308
3,461 & over	0.5900	415.3846

Where employee claimed FULL exemption from Medicare levy in *Medicare levy variation declaration* – Scale 5

**NO HELP/TSL and FS Debt**

Weekly earnings (x) less than \$	a	b
355	-	-
711	0.1900	67.4635
1,282	0.3277	165.4423
1,538	0.3250	161.9808
3,461	0.3700	231.2115
3,461 & over	0.4700	577.3654

**WITH HELP/TSL and FS Debt**

Weekly earnings (x) less than \$	a	b
355	-	-
711	0.1900	67.4635
1,040	0.3277	165.4423
1,159	0.3877	165.4423
1,278	0.3927	165.4423
1,282	0.4077	165.4423
1,345	0.4050	161.9808
1,445	0.4100	161.9808
1,538	0.4150	161.9808
1,566	0.4600	231.2115
1,648	0.4650	231.2115
1,814	0.4700	231.2115
1,933	0.4850	231.2115
3,461	0.4900	231.2115

3,461 & over	0.5900	577.3654
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Where employee claimed HALF exemption from Medicare levy in *Medicare levy variation declaration* – Scale 6

**NO HELP/TSL and FS Debt**

Weekly earnings (x) less than \$	a	b
355	-	-
660	0.1900	67.4635
711	0.2400	100.5087
826	0.3777	198.4875
1,282	0.3377	165.4429
1,538	0.3350	161.9813
3,461	0.3800	231.2121
3,461 & over	0.4800	577.3660

**WITH HELP/TSL and FS Debt**

Weekly earnings (x) less than \$	a	b
355	-	-
660	0.1900	67.4635
711	0.2400	100.5087
826	0.3777	198.4875
1,040	0.3377	165.4429
1,159	0.3977	165.4429
1,278	0.4027	165.4429
1,282	0.4177	165.4429
1,345	0.4150	161.9813
1,445	0.4200	161.9813
1,538	0.4250	161.9813

1,566	0.4700	231.2121
1,648	0.4750	231.2121
1,814	0.4800	231.2121
1,933	0.4950	231.2121
3,461	0.5000	231.2121
3,461 & over	0.6000	577.3660

Withholding amounts including the HELP/TSL and SFSS components worked out using the coefficients may differ slightly from the amounts shown in the PAYG, HELP/TSL and SFSS tax tables. The differences result from the rounding of components.

## Sample data

### Weekly withholding amounts including HELP/TSL and SFSS components

#### Amounts to be withheld

Weekly earnings \$	Scale 1 No tax-free threshold \$	Scale 2 With tax-free threshold \$	Scale 3 Foreign resident \$	Scale 5 Full Medicare exemption \$	Scale 6 Half Medicare exemption \$
44	8.00	-	14.00	-	-
45	9.00	-	15.00	-	-
116	25.00	-	38.00	-	-
117	25.00	-	38.00	-	-
249	56.00	-	81.00	-	-
250	56.00	-	81.00	-	-
354	80.00	-	115.00	-	-
355	81.00	-	115.00	-	-
360	82.00	1.00	117.00	1.00	1.00
361	82.00	1.00	117.00	1.00	1.00
394	94.00	8.00	128.00	8.00	8.00
395	94.00	8.00	128.00	8.00	8.00
492	128.00	36.00	160.00	26.00	26.00
493	128.00	36.00	160.00	26.00	26.00



659	186.00	71.00	214.00	58.00	58.00
660	186.00	71.00	214.00	58.00	58.00
689	196.00	77.00	224.00	64.00	65.00
690	238.00	78.00	224.00	64.00	65.00
710	246.00	82.00	231.00	68.00	70.00
711	247.00	82.00	231.00	68.00	70.00
808	286.00	116.00	263.00	100.00	107.00
809	291.00	116.00	263.00	100.00	107.00
825	297.00	122.00	268.00	105.00	113.00
826	298.00	122.00	268.00	106.00	114.00
927	339.00	157.00	301.00	139.00	148.00
928	354.00	158.00	302.00	139.00	148.00
931	355.00	159.00	303.00	140.00	149.00
932	355.00	159.00	303.00	140.00	150.00
994	382.00	181.00	323.00	161.00	171.00
995	387.00	181.00	323.00	161.00	171.00
1039	406.00	196.00	338.00	175.00	186.00
1040	406.00	259.00	400.00	238.00	249.00
1094	430.00	281.00	421.00	259.00	270.00
1095	436.00	281.00	422.00	259.00	270.00
1158	463.00	307.00	446.00	284.00	295.00
1159	463.00	313.00	452.00	290.00	302.00
1187	476.00	325.00	463.00	301.00	313.00
1188	476.00	325.00	463.00	301.00	313.00
1215	489.00	336.00	474.00	312.00	324.00
1216	496.00	337.00	474.00	312.00	325.00
1277	525.00	362.00	498.00	336.00	349.00
1278	526.00	382.00	518.00	356.00	369.00
1282	528.00	383.00	519.00	358.00	370.00
1297	535.00	390.00	525.00	364.00	377.00

1298	542.00	390.00	526.00	364.00	377.00
1344	564.00	410.00	544.00	383.00	396.00
1345	565.00	417.00	552.00	390.00	403.00
1347	566.00	418.00	552.00	391.00	404.00
1444	613.00	459.00	592.00	430.00	445.00
1445	614.00	467.00	600.00	438.00	453.00
1464	645.00	475.00	608.00	446.00	461.00
1537	682.00	507.00	638.00	476.00	492.00
1538	683.00	508.00	639.00	477.00	492.00
1565	696.00	520.00	651.00	489.00	505.00
1566	697.00	529.00	659.00	497.00	513.00
1582	705.00	537.00	667.00	505.00	521.00
1583	713.00	537.00	667.00	505.00	521.00
1647	746.00	568.00	697.00	535.00	552.00
1648	746.00	577.00	706.00	544.00	560.00
1813	830.00	658.00	783.00	621.00	640.00
1814	831.00	685.00	811.00	649.00	667.00
1844	846.00	701.00	826.00	664.00	682.00
1845	847.00	701.00	826.00	664.00	683.00
1932	891.00	745.00	868.00	706.00	726.00
1933	892.00	755.00	878.00	716.00	736.00
2119	987.00	850.00	970.00	808.00	829.00
2120	987.00	850.00	970.00	808.00	829.00
2490	1176.00	1039.00	1151.00	989.00	1014.00
2491	1176.00	1040.00	1152.00	990.00	1015.00
2652	1258.00	1122.00	1231.00	1069.00	1095.00
2653	1259.00	1122.00	1231.00	1069.00	1096.00
2736	1301.00	1165.00	1272.00	1110.00	1137.00
2737	1302.00	1165.00	1272.00	1110.00	1138.00
2898	1384.00	1247.00	1351.00	1189.00	1218.00

2899	1384.00	1248.00	1352.00	1190.00	1219.00
2913	1391.00	1255.00	1359.00	1197.00	1226.00
2914	1392.00	1255.00	1359.00	1197.00	1226.00
3110	1492.00	1355.00	1455.00	1293.00	1324.00
3111	1493.00	1356.00	1456.00	1294.00	1325.00
3461	1706.00	1534.00	1627.00	1465.00	1500.00

Fortnightly withholding amounts including HELP/TSL and SFSS components

**Amounts to be withheld**

<b>Fortnightly earnings \$</b>	<b>Scale 1 No tax-free threshold \$</b>	<b>Scale 2 With tax-free threshold \$</b>	<b>Scale 3 Foreign resident \$</b>	<b>Scale 5 Full Medicare exemption \$</b>	<b>Scale 6 Half Medicare exemption \$</b>
88	16.00	-	28.00	-	-
90	18.00	-	30.00	-	-
232	50.00	-	76.00	-	-
234	50.00	-	76.00	-	-
498	112.00	-	162.00	-	-
500	112.00	-	162.00	-	-
708	160.00	-	230.00	-	-
710	162.00	-	230.00	-	-
720	164.00	2.00	234.00	2.00	2.00
722	164.00	2.00	234.00	2.00	2.00
788	188.00	16.00	256.00	16.00	16.00
790	188.00	16.00	256.00	16.00	16.00
984	256.00	72.00	320.00	52.00	52.00
986	256.00	72.00	320.00	52.00	52.00
1318	372.00	142.00	428.00	116.00	116.00
1320	372.00	142.00	428.00	116.00	116.00
1378	392.00	154.00	448.00	128.00	130.00

1380	476.00	156.00	448.00	128.00	130.00
1420	492.00	164.00	462.00	136.00	140.00
1422	494.00	164.00	462.00	136.00	140.00
1616	572.00	232.00	526.00	200.00	214.00
1618	582.00	232.00	526.00	200.00	214.00
1650	594.00	244.00	536.00	210.00	226.00
1652	596.00	244.00	536.00	212.00	228.00
1854	678.00	314.00	602.00	278.00	296.00
1856	708.00	316.00	604.00	278.00	296.00
1862	710.00	318.00	606.00	280.00	298.00
1864	710.00	318.00	606.00	280.00	300.00
1988	764.00	362.00	646.00	322.00	342.00
1990	774.00	362.00	646.00	322.00	342.00
2078	812.00	392.00	676.00	350.00	372.00
2080	812.00	518.00	800.00	476.00	498.00
2188	860.00	562.00	842.00	518.00	540.00
2190	872.00	562.00	844.00	518.00	540.00
2316	926.00	614.00	892.00	568.00	590.00
2318	926.00	626.00	904.00	580.00	604.00
2374	952.00	650.00	926.00	602.00	626.00
2376	952.00	650.00	926.00	602.00	626.00
2430	978.00	672.00	948.00	624.00	648.00
2432	992.00	674.00	948.00	624.00	650.00
2554	1050.00	724.00	996.00	672.00	698.00
2556	1052.00	764.00	1036.00	712.00	738.00
2564	1056.00	766.00	1038.00	716.00	740.00
2594	1070.00	780.00	1050.00	728.00	754.00
2596	1084.00	780.00	1052.00	728.00	754.00
2688	1128.00	820.00	1088.00	766.00	792.00
2690	1130.00	834.00	1104.00	780.00	806.00

2694	1132.00	836.00	1104.00	782.00	808.00
2888	1226.00	918.00	1184.00	860.00	890.00
2890	1228.00	934.00	1200.00	876.00	906.00
2928	1290.00	950.00	1216.00	892.00	922.00
3074	1364.00	1014.00	1276.00	952.00	984.00
3076	1366.00	1016.00	1278.00	954.00	984.00
3130	1392.00	1040.00	1302.00	978.00	1010.00
3132	1394.00	1058.00	1318.00	994.00	1026.00
3164	1410.00	1074.00	1334.00	1010.00	1042.00
3166	1426.00	1074.00	1334.00	1010.00	1042.00
3294	1492.00	1136.00	1394.00	1070.00	1104.00
3296	1492.00	1154.00	1412.00	1088.00	1120.00
3626	1660.00	1316.00	1566.00	1242.00	1280.00
3628	1662.00	1370.00	1622.00	1298.00	1334.00
3688	1692.00	1402.00	1652.00	1328.00	1364.00
3690	1694.00	1402.00	1652.00	1328.00	1366.00
3864	1782.00	1490.00	1736.00	1412.00	1452.00
3866	1784.00	1510.00	1756.00	1432.00	1472.00
4238	1974.00	1700.00	1940.00	1616.00	1658.00
4240	1974.00	1700.00	1940.00	1616.00	1658.00
4980	2352.00	2078.00	2302.00	1978.00	2028.00
4982	2352.00	2080.00	2304.00	1980.00	2030.00
5304	2516.00	2244.00	2462.00	2138.00	2190.00
5306	2518.00	2244.00	2462.00	2138.00	2192.00
5472	2602.00	2330.00	2544.00	2220.00	2274.00
5474	2604.00	2330.00	2544.00	2220.00	2276.00
5796	2768.00	2494.00	2702.00	2378.00	2436.00
5798	2768.00	2496.00	2704.00	2380.00	2438.00
5826	2782.00	2510.00	2718.00	2394.00	2452.00
5828	2784.00	2510.00	2718.00	2394.00	2452.00

6220	2984.00	2710.00	2910.00	2586.00	2648.00
6222	2986.00	2712.00	2912.00	2588.00	2650.00
6922	3412.00	3068.00	3254.00	2930.00	3000.00

## Monthly withholding amounts including HELP/TSL and SFSS components

### Amounts to be withheld

Monthly earnings \$	Scale 1 No tax-free threshold \$	Scale 2 With tax-free threshold \$	Scale 3 Foreign resident \$	Scale 5 Full Medicare exemption \$	Scale 6 Half Medicare exemption \$
190.67	35.00	-	61.00	-	-
195.00	39.00	-	65.00	-	-
502.67	108.00	-	165.00	-	-
507.00	108.00	-	165.00	-	-
1079.00	243.00	-	351.00	-	-
1083.33	243.00	-	351.00	-	-
1534.00	347.00	-	498.00	-	-
1538.33	351.00	-	498.00	-	-
1560.00	355.00	4.00	507.00	4.00	4.00
1564.33	355.00	4.00	507.00	4.00	4.00
1707.33	407.00	35.00	555.00	35.00	35.00
1711.67	407.00	35.00	555.00	35.00	35.00
2132.00	555.00	156.00	693.00	113.00	113.00
2136.33	555.00	156.00	693.00	113.00	113.00
2855.67	806.00	308.00	927.00	251.00	251.00
2860.00	806.00	308.00	927.00	251.00	251.00
2985.67	849.00	334.00	971.00	277.00	282.00
2990.00	1031.00	338.00	971.00	277.00	282.00
3076.67	1066.00	355.00	1001.00	295.00	303.00
3081.00	1070.00	355.00	1001.00	295.00	303.00

3501.33	1239.00	503.00	1140.00	433.00	464.00
3505.67	1261.00	503.00	1140.00	433.00	464.00
3575.00	1287.00	529.00	1161.00	455.00	490.00
3579.33	1291.00	529.00	1161.00	459.00	494.00
4017.00	1469.00	680.00	1304.00	602.00	641.00
4021.33	1534.00	685.00	1309.00	602.00	641.00
4034.33	1538.00	689.00	1313.00	607.00	646.00
4038.67	1538.00	689.00	1313.00	607.00	650.00
4307.33	1655.00	784.00	1400.00	698.00	741.00
4311.67	1677.00	784.00	1400.00	698.00	741.00
4502.33	1759.00	849.00	1465.00	758.00	806.00
4506.67	1759.00	1122.00	1733.00	1031.00	1079.00
4740.67	1863.00	1218.00	1824.00	1122.00	1170.00
4745.00	1889.00	1218.00	1829.00	1122.00	1170.00
5018.00	2006.00	1330.00	1933.00	1231.00	1278.00
5022.33	2006.00	1356.00	1959.00	1257.00	1309.00
5143.67	2063.00	1408.00	2006.00	1304.00	1356.00
5148.00	2063.00	1408.00	2006.00	1304.00	1356.00
5265.00	2119.00	1456.00	2054.00	1352.00	1404.00
5269.33	2149.00	1460.00	2054.00	1352.00	1408.00
5533.67	2275.00	1569.00	2158.00	1456.00	1512.00
5538.00	2279.00	1655.00	2245.00	1543.00	1599.00
5555.33	2288.00	1660.00	2249.00	1551.00	1603.00
5620.33	2318.00	1690.00	2275.00	1577.00	1634.00
5624.67	2349.00	1690.00	2279.00	1577.00	1634.00
5824.00	2444.00	1777.00	2357.00	1660.00	1716.00
5828.33	2448.00	1807.00	2392.00	1690.00	1746.00
5837.00	2453.00	1811.00	2392.00	1694.00	1751.00
6257.33	2656.00	1989.00	2565.00	1863.00	1928.00
6261.67	2661.00	2024.00	2600.00	1898.00	1963.00

6344.00	2795.00	2058.00	2635.00	1933.00	1998.00
6660.33	2955.00	2197.00	2765.00	2063.00	2132.00
6664.67	2960.00	2201.00	2769.00	2067.00	2132.00
6781.67	3016.00	2253.00	2821.00	2119.00	2188.00
6786.00	3020.00	2292.00	2856.00	2154.00	2223.00
6855.33	3055.00	2327.00	2890.00	2188.00	2258.00
6859.67	3090.00	2327.00	2890.00	2188.00	2258.00
7137.00	3233.00	2461.00	3020.00	2318.00	2392.00
7141.33	3233.00	2500.00	3059.00	2357.00	2427.00
7856.33	3597.00	2851.00	3393.00	2691.00	2773.00
7860.67	3601.00	2968.00	3514.00	2812.00	2890.00
7990.67	3666.00	3038.00	3579.00	2877.00	2955.00
7995.00	3670.00	3038.00	3579.00	2877.00	2960.00
8372.00	3861.00	3228.00	3761.00	3059.00	3146.00
8376.33	3865.00	3272.00	3805.00	3103.00	3189.00
9182.33	4277.00	3683.00	4203.00	3501.00	3592.00
9186.67	4277.00	3683.00	4203.00	3501.00	3592.00
10790.00	5096.00	4502.00	4988.00	4286.00	4394.00
10794.33	5096.00	4507.00	4992.00	4290.00	4398.00
11492.00	5451.00	4862.00	5334.00	4632.00	4745.00
11496.33	5456.00	4862.00	5334.00	4632.00	4749.00
11856.00	5638.00	5048.00	5512.00	4810.00	4927.00
11860.33	5642.00	5048.00	5512.00	4810.00	4931.00
12558.00	5997.00	5404.00	5854.00	5152.00	5278.00
12562.33	5997.00	5408.00	5859.00	5157.00	5282.00
12623.00	6028.00	5438.00	5889.00	5187.00	5313.00
12627.33	6032.00	5438.00	5889.00	5187.00	5313.00
13476.67	6465.00	5872.00	6305.00	5603.00	5737.00
13481.00	6470.00	5876.00	6309.00	5607.00	5742.00
14997.67	7393.00	6647.00	7050.00	6348.00	6500.00



# Schedule 9 – Tax table for seniors and pensioners

Use for payments to low income aged persons and pensioners

For payments made on or after 1 July 2015

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* (TAA). It applies to withholding payments covered by Subdivisions 12-B (except sections 12-50 and 12-55), and 12-D of Schedule 1 to the TAA.

Use the Withholding look-up tool to quickly [work out the amount to withhold](#).

## Using this table

You should use this table if you make payments to:

- seniors and pensioners who, at the end of the relevant financial year, are 65 years of age or older (for example, to be eligible for the year ending 30 June 2016, an employee must be born on or before 30 June 1951).
- veterans receiving a service pension and/or war widows/widowers receiving an income support supplement from the Department of Veterans' Affairs who are at least 60 years of age.

This table applies to weekly payments including:

- salary, wages, allowances and leave loading paid to employees
- director's fees
- payments to labour hire workers
- compensation, sickness or accident payments that are calculated at a periodical rate and made because a person is unable to work (unless the payment is made under an insurance policy to the policy owner)
- a non-super income stream
- a super income stream.

This tax table can only apply if the employee has provided you with either:

- a [Withholding declaration](#) (NAT 3093) answering **yes** to questions 4, 5 and 8
- a [Withholding declaration – short version for seniors and pensioners](#) (NAT 5072) answering **yes** to questions 4, 5 and 6.

### Get it done

You can download a printable version of [Tax table for seniors and pensioners](#) (NAT 4466, 732KB) in Portable Document Format (PDF).

# Working out the withholding amount

1. Calculate your employee's total weekly earnings, add any allowances and irregular payments that will be included in this week's pay to the normal weekly earnings, ignoring any cents.
2. Input the amount from step 1 into the [Withholding look-up tool](#), as per instructions in the tool.
3. Use the appropriate column to find the correct amount to withhold. If your employee is:
  - single, use column 2
  - a member of an illness-separated couple, use column 3
  - a member of a couple, use column 4.
4. If your employee is entitled to a tax offset or a Medicare levy adjustment, subtract its weekly value from the withholding amount found in step 3.

## Example

An employee has weekly earnings of \$619.75. To work out the correct amount to withhold, ignore cents and input \$619 into the *Withholding look-up tool*.

If the employee is:

- single, use column 2 to find the correct amount to withhold (\$7.00)
- a member of an illness-separated couple, use column 3 to find the correct amount to withhold (\$13.00)
- a member of a couple, use column 4 to find the correct amount to withhold (\$27.00).

# Calculating fortnightly or monthly withholding amounts

First calculate the weekly equivalent of fortnightly or monthly earnings. If you pay:

- fortnightly – divide the sum of the fortnightly earnings and the amount of any allowances subject to withholding by two. Ignore any cents in the result and then add 99 cents.
- monthly – obtain the sum of the monthly earnings and the amount of any allowances subject to withholding (if the result is an amount ending in 33 cents, add one cent). Multiply this amount by three and then divide by 13. Ignore any cents in the result and then add 99 cents.

Then calculate fortnightly or monthly withholding amounts as follows:

- fortnightly – work out the rounded weekly withholding amount applicable to the weekly equivalent of earnings, before any adjustment for tax offsets. Multiply this amount by two.
- monthly – work out the rounded weekly withholding amount applicable to the weekly equivalent of earnings, before any adjustment for tax offsets. Multiply this amount by 13, divide the product by three and round the result to the nearest dollar.

## Using a formula

The withholding amounts shown in this table can be expressed in a mathematical form.

You should read this section with [Statement of formulas for calculating amounts to be withheld](#) (NAT 1004).

If you have developed your own payroll software package, you can use the following formulas and the coefficients outlined below.

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

- $y$  is the withholding amount expressed in dollars
- $x$  is the weekly earnings rounded down to whole dollars plus 99 cents
- $a$  and  $b$  are the values of the coefficients for the formulas shown in the relevant [Values of the coefficients a and b for each set of formulas](#) tables.

## Rounding of withholding amounts

Withholding amounts calculated as a result of applying the formulas are rounded to the nearest dollar. Results ending in 50 cents are rounded to the next higher dollar.

If no TFN is provided, ignore cents when you calculate withholding amounts.

## Accounting software

Software written in accordance with the formulas should be tested for accuracy against the withholding amounts obtained using the [Withholding look-up tool](#). You should only use such software if it produces the exact amounts.

## Values of the coefficients a and b for each set of formulas

### Single

Weekly earnings(x) less than	a	b
\$580	—	—
\$620	0.1900	110.3481
\$711	0.4150	250.0168
\$775	0.5527	347.9957
\$963	0.4727	285.9218
\$1,282	0.3477	165.4435
\$1,538	0.3450	161.9815
\$3,461	0.3900	231.2123

<b>\$3,461 &amp; over</b>	0.4900	577.6154
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#### Illness-separated

<b>Weekly earnings(x) less than</b>	<b>a</b>	<b>b</b>
<b>\$561</b>	—	—
<b>\$601</b>	0.1900	106.6942
<b>\$620</b>	0.3150	181.8841
<b>\$711</b>	0.4150	243.9591
<b>\$775</b>	0.5527	341.9380
<b>\$915</b>	0.4727	279.8641
<b>\$1,282</b>	0.3477	165.4435
<b>\$1,538</b>	0.3450	161.9815
<b>\$3,461</b>	0.3900	231.2123
<b>\$3,461 &amp; over</b>	0.4900	577.3662

#### Member of a couple

<b>Weekly earnings(x) less than</b>	<b>a</b>	<b>b</b>
<b>\$517</b>	—	—
<b>\$557</b>	0.1900	98.2712
<b>\$620</b>	0.3150	167.9202
<b>\$711</b>	0.4150	229.9952
<b>\$775</b>	0.5527	327.9740
<b>\$803</b>	0.4727	265.9002
<b>\$1,282</b>	0.3477	165.4435
<b>\$1,538</b>	0.3450	161.9815
<b>\$3,461</b>	0.3900	231.2123
<b>\$3,461 &amp; over</b>	0.4900	577.3662

### Medicare levy parameters

Weekly earnings threshold	620
Weekly earnings shade-in threshold	775
Medicare levy family threshold	46,000

Weekly family threshold divisor	52
Additional child	3,156
Shading out point multiplier	0.1000
Shading out point divisor	0.0800
Weekly levy adjustment factor	620.7500
Medicare levy	0.0200

## Tax file number (TFN) declarations

The answers your employees provide on their [Tax file number declaration](#) (NAT 3092) determine the amount you need to withhold from their payments. A *Tax file number declaration* applies to any 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 of the employee and send it to us.

### When a TFN has not been provided

You must withhold 49% from any payment you make to a resident employee and 47% 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 have 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](#) (NAT 1432) 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 49% from any payment you make to a resident employee and 47% from a foreign resident employee (ignoring any cents) unless we tell you not to.

Do not allow for any tax offsets or Medicare levy adjustment. Do not withhold any amount for:

- Higher Education Loan Program (HELP) debts
- Trade Support Loan (TSL) debts
- Financial Supplement debts.

## When your employee has a HELP, TSL or Financial Supplement debt

If your employee has a HELP, TSL or Financial Supplement debt, you may need to withhold additional amounts from their payments. Your employee will need to notify you of this on their *Tax file number declaration* or *Withholding declaration*.

### Work it out

To calculate additional withholding amounts for:

- HELP or TSL debts – refer to [HELP/TSL weekly tax table](#) (NAT 2173)
- Financial Supplement debts – refer to [SFSS weekly tax table](#) (NAT 3306).

## Allowances

Generally, allowances are added to normal earnings and the amount to withhold is calculated on the total amount of earnings and allowances.

### Find out more

For more information, refer to [Withholding from allowances](#).

## Leave loading

If you pay leave loading as a lump sum, you need to use [Tax table for back payments, commissions, bonuses and similar payments](#) (NAT 3348) to calculate withholding.

If you pay leave loading on a pro-rata basis, add the leave loading payment to the earnings for that period to calculate withholding.

## Claiming tax offsets

If your employee chooses to claim their entitlement to a tax offset through reduced withholding, they must give you a *Withholding declaration*.

To work out your employee's annual tax offset entitlement into a weekly value, use the [Ready reckoner for tax offsets](#). Deduct this amount from the amount shown in column 2, 3 or 4 of the *Withholding look-up tool*.

## Ready reckoner for tax offsets

Amount Claimed \$	Weekly value \$
1	-
2	-
3	-
4	-

<b>5</b>	-
<b>6</b>	-
<b>7</b>	-
<b>8</b>	-
<b>9</b>	-
<b>10</b>	-
<b>20</b>	-
<b>30</b>	1.00
<b>40</b>	1.00
<b>50</b>	1.00
<b>57</b>	1.00
<b>60</b>	1.00
<b>70</b>	1.00
<b>80</b>	2.00
<b>90</b>	2.00
<b>100</b>	2.00
<b>200</b>	4.00
<b>300</b>	6.00
<b>338</b>	6.00
<b>400</b>	8.00
<b>500</b>	10.00
<b>600</b>	11.00
<b>700</b>	13.00
<b>800</b>	15.00
<b>850</b>	16.00
<b>900</b>	17.00
<b>1000</b>	19.00
<b>1100</b>	21.00
<b>1173</b>	22.00
<b>1200</b>	23.00

<b>1300</b>	25.00
<b>1400</b>	27.00
<b>1500</b>	29.00
<b>1600</b>	30.00
<b>1700</b>	32.00
<b>1750</b>	33.00
<b>1800</b>	34.00
<b>1900</b>	36.00
<b>2000</b>	38.00
<b>2500</b>	48.00
<b>2535</b>	48.00
<b>3000</b>	57.00

If the exact tax offset amount claimed is not shown in the ready reckoner, you add the values for an appropriate combination.

#### **Example**

Tax offsets of \$422 claimed. Add values of \$400, \$20 and \$2

= \$8 + \$0 + \$0

= \$8.

Therefore, reduce the amount to be withheld by \$8.



# Withholding declarations

An employee can use the [Withholding declaration](#) (NAT 3093) to advise you of a tax offset they choose to claim through reduced withholding. For more information on tax offsets, refer to [Claiming tax offsets](#).

Employees can also use a *Withholding declaration* to advise you of changes to their situation that may vary the amount you need to withhold.

Changes that may affect the amount you need to withhold include:

- becoming or ceasing to be an Australian resident for tax purposes
- claiming or discontinuing a claim for the tax-free threshold
- advising of a HELP, TSL or Financial Supplement debt (or changes to them)
- entitlement to a seniors and pensioners tax offset.

When your employee provides you with a *Withholding declaration* it will take effect from the next payment you make. If you receive an updated declaration from an employee, it will replace the previous one.

An employee must have provided you with a valid *Tax file number declaration* before they can provide you with a *Withholding declaration*.

# Medicare levy adjustments

To claim the Medicare levy adjustment (available to some low income earners with dependants), an employee must lodge a [Medicare levy variation declaration](#) (NAT 0929) with their *Tax file number declaration*.

## Find out more

For instructions on how to work out the Medicare levy adjustment, refer to [Medicare levy adjustment weekly tax table](#) (NAT 1010).

# Schedule 11 – Tax table for employment termination payments

For payments made on or after 1 July 2015

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* (TAA). It applies to withholding payments covered by paragraph 12-85(b) of Schedule 1 to the TAA.

## Using this table

You should use this table if you pay an individual an amount that is either:

- an employment termination payment (ETP)
- a delayed termination payment – that is, a payment that would be an ETP except it was paid more than 12 months after the relevant termination of employment (for more information, see [Delayed termination payments](#)).

### Find out more

For information about ETP's for employers and employees, refer to [Taxation of termination payments](#).

## Employment termination payments

An ETP is a lump sum payment you make under either of the following circumstances:

- to an employee when their employment is terminated (referred to as a 'Life benefit' ETP)
- to an employee's estate because their employment has been terminated due to death (referred to as a 'Death benefit' ETP).

ETPs include lump sum payments paid upon resignation, retirement or death. A payment from a super fund is not an ETP.

A payment must generally be made within 12 months of termination to qualify as an ETP. A payment made outside 12 months is a delayed termination payment, unless we have given approval for the payment to be treated as an ETP.

## Tax treatment of ETPs

ETPs can comprise of two different components:

- Tax free component
- Taxable component.

You only withhold from the taxable component.

Depending on the type of ETP, the concessional tax treatment may be limited to the smaller of:

- the ETP cap, or
- the whole-of-income cap.

The top rate of tax applies to amounts paid in excess of these caps.

The ETP cap amount for the 2015-16 income year is \$195,000. This amount is indexed annually.

The whole-of-income cap amount for the 2015-16 income year is \$180,000. This amount is not indexed. This cap is reduced by the other taxable payments that your employee receives in the income year. For example, salary or wages that you have paid to your employee.

In some cases, you may need to include an ETP in the taxable payments when working out the whole-of-income cap.

### Find out more

Refer to [Taxation of termination payments](#).

The ETP payment summary has an ETP code that you use to describe the type of ETP and which cap has been applied to it. For more information about the codes, see [Payment summaries](#).

## ETP caps

The following table lists the types of ETPs subject to withholding and the applicable cap for each type of payment.

Column 1 ETP cap only applies to:	Column 2 Smaller of the ETP cap and whole-of-income cap applies to:
a payment made under an early retirement scheme that exceeds the tax-free limit* (only the amount in excess of the limit is an ETP).	a 'golden handshake' whether paid under: <ul style="list-style-type: none"><li>■ contract</li><li>■ industrial award obligation</li><li>■ recognition of prior service.</li></ul>
a genuine redundancy payment that exceeds the tax-free limit* (only the amount in excess of the limit is an ETP).	a non-genuine redundancy payment.
a payment made because of the employee's permanent disability.	severance pay.

compensation payment for personal injury.	a gratuity.
compensation for unfair dismissal.	a payment in lieu of notice.
compensation for harassment.	a payment for unused sick leave.
compensation for discrimination.	a payment for unused rostered days off.
lump sum payments paid on the death of an employee.	an ETP not covered in column 1.

\* The tax-free limit for the 2015-16 income year is \$9,780 plus \$4,891 for each year of completed service.

For payments in column 2 both caps apply. Withholding will be made at the top rate of tax on the amount over the smallest cap. For more information, see [How to work out the withholding amount](#).

## Steps to work out smallest cap

Follow these steps to work out the smaller of the ETP cap and whole-of-income cap.

Step	Action
1	Add up all taxable payments you made to your employee (excluding the ETP).
2	Subtract the step 1 result amount from \$180,000.
3	The result from step 2 is the calculated whole-of-income cap.
4	Compare the calculated whole-of-income cap from step 3 and the ETP cap amount of \$195,000 for 2015-16 (or the balance of ETP cap if a payment component has already applied to the ETP cap where there has been multiple payments for the same termination).
5	If both caps are equal, use the whole-of-income cap. The smallest of the two caps at step 4 is the cap to apply to the ETP taxable component.

## Multiple payments for same termination

For various reasons, ETPs may be made in more than one instalment. Payments made after the initial payment that are subject to the ETP cap, will be subject to a lower ETP cap because the cap amount is reduced by the amount of all previous payments for the same termination.

Lump sum payments that are not ETPs may also be subject to PAYG withholding. Use the applicable tax table to work out the amount to be withheld from these payments.

### Find out more

For unused annual leave, leave loading or long service leave payments, refer to [Tax table for unused leave payments on termination of employment](#) (NAT 3351).

Do not allow for any tax offsets or Medicare levy adjustments.

Do not withhold any amount for:

- Higher Education Loan Program (HELP) debts
- Trade Support Loan (TSL) debts
- Financial Supplement debts.

## Death benefit ETPs

A death benefit termination payment is received by a person after another person's death, in consequence of termination of the other person's employment. The amount you withhold depends on a number of factors including whether the payment is made:

- directly to a dependant of the deceased
- directly to a non-dependant of the deceased
- to the trustee of the deceased estate.

Use [table A](#) to work out how much to withhold

### Find out more

For information on deceased estates and their tax obligations go to:

- [Deceased estates](#)

## Working out the withholding amount

An ETP can be made up of a tax-free component and taxable component. You must withhold an amount from the taxable component, including death benefit ETPs.

Do not withhold from the tax-free component of the ETP.

### Find out more

Information about ETP components, refer to [Taxation of termination payments](#).

## When a TFN is provided

If your employee who is receiving an ETP has given you their tax file number (TFN) on a [Tax file number declaration](#) (NAT 3092), use [table A](#) to work out how much to withhold.

A [Tax file number declaration](#) remains effective until 12 months after you make the last payment to them.

Withholding amounts calculated by applying [table A](#) are rounded to the nearest dollar. Results ending in 50 cents are rounded upwards.

## When a TFN has not been provided

You must withhold 49% from the taxable component of an ETP you make to a resident employee and 47% from a foreign resident employee (ignoring any cents) who has not given you their TFN.

### Examples

The examples will help you work out how much to withhold.

#### Example 1: ETP cap

Lloyd is an employee of BigBiz Pty Ltd and is 41 years of age. His [preservation age](#) is 60. He is made redundant from his position at BigBiz and receives an ETP of \$45,000.

The ETP has no tax-free component.

BigBiz is required to withhold from the ETP. Lloyd has previously provided his TFN to BigBiz and claimed the tax-free threshold.

BigBiz classifies the payment as a genuine redundancy and using [table A](#), works out that only the ETP cap applies.

As Lloyd is under preservation age and his entire ETP fits within the ETP cap amount, BigBiz withholds \$14,400 from Lloyd's ETP. This is 32% of Lloyd's taxable component of \$45,000.

#### Example 2: Whole-of-income cap – payment less than cap

Jane is an employee of SmallBiz Pty Ltd and is 50 years of age. Jane's preservation age is 60 (see [Preservation age](#)). Jane resigns from SmallBiz to start a new business.

Up until Jane's date of resignation, SmallBiz paid Jane salary and wages totalling \$84,000. Under her employment contract, Jane will receive a 'golden handshake' of \$10,000 from SmallBiz. This payment is an ETP and has a tax-free component of \$2,000 (relating to service before July 1983) and a taxable component of \$8,000. SmallBiz is required to withhold an amount under the PAYG withholding system. Jane had previously provided her TFN to SmallBiz.

SmallBiz does not withhold from the tax-free component of \$2,000, but must withhold an amount from the taxable component of \$8,000.

SmallBiz classifies the payment as a 'golden handshake'. Using [table A](#) and the following steps, SmallBiz works out which cap to apply and the withholding rate:

Step	SmallBiz action	Result
1	Adds up all taxable payments (excluding the ETP) paid to Jane.	\$84,000
2	Subtracts the step 1 amount from \$180,000. This is the calculated whole-of-income cap.	\$96,000
3	Determines the smallest cap by comparing result from step 2 against ETP cap amount of \$195,000.	Whole-of-income cap is smallest
4	Uses table A to determine withholding rate on amounts up to calculated whole-of-income cap of \$96,000 remembering Jane	32%

	is under preservation age.	
5	Uses table A to determine withholding rate on amounts above the whole-of-income cap of \$96,000. As whole \$8,000 ETP is under cap, no further calculation is required.	Nil

SmallBiz withholds \$2,560 from Jane's ETP of \$10,000. This is 32% of Jane's taxable component of \$8,000.

### Example 3: Whole-of-income cap – payment greater than cap

Chris, aged under [preservation age](#), has his employment terminated by MediumBiz in January. His employment termination does not meet the criteria of a genuine redundancy.

MediumBiz paid Chris \$50,000 in leave entitlements as a lump sum and \$50,000 in salary and wages before his termination. In addition to this income, Chris is also paid \$130,000 as an ETP comprising of \$100,000 taxable component and has a tax free component of \$30,000 (relating to service before July 1983).

As the ETP is not a genuine redundancy, MediumBiz classifies the payment as a 'golden handshake'. Using [table A](#) and the following steps, MediumBiz works out which cap to apply and the withholding rate:

Step	MediumBiz action	Result
1	Adds up all taxable payments (excluding the ETP) paid to Chris.	\$100,000
2	Subtracts the step 1 amount from \$180,000. This is the calculated whole-of-income cap.	\$80,000
3	Determines smallest cap by comparing result from step 2 against ETP cap amount of \$195,000.	Whole-of-income cap is smallest
4	Uses table A to determine withholding rate on amounts up to calculated whole-of-income cap of \$80,000 remembering Chris is under preservation age.	32%
5	Uses table A to determine withholding rate on amounts over the calculated whole-of-income cap of \$80,000. ETP \$100,000 less cap amount \$80,000, gives \$20,000 over the cap.	49%

MediumBiz withholds \$35,400 from Chris's ETP of \$130,000. This is \$25,600 (\$80,000 x 32%) plus \$9,800 (\$20,000 x 49%) of Chris's taxable component of \$100,000.

### Example 4: ETP subject to both ETP cap and whole-of-income cap

Alec, 30, is made redundant by MacroBiz after 5 years of service and receives a termination payment of \$65,678 that is part genuine redundancy (\$40,678) and part gratuity (\$25,000). Until his redundancy, Alec had received \$140,000 in salary and wages for the income year.

In this situation the part of the payment that is subject to the ETP cap only is always dealt with first.

Alec's employer calculates the genuine redundancy amount over the tax-free limit\* as \$6,443 (being \$40,678 less \$34,235 due to the 5 years of service). This is an ETP and using [table A](#), works out that only the ETP cap applies. Alec is under [preservation age](#), so MacroBiz withholds \$2,062 (32% of \$6,443).

Using [table A](#) and the following steps, MacroBiz then works out which cap to apply and the withholding rate on Alec's \$25,000 gratuity part of the ETP.

Step	MacroBiz action	Result
1	Adds up all taxable payments, salary and wages paid to Alec.	\$140,000
2	Subtracts the step 1 amount from \$180,000. This is the calculated whole-of-income cap.	\$40,000
3	Determines smallest cap by comparing result from step 2 against ETP cap of \$188,557 (ETP cap \$195,000 for 2015-16 less the \$6,443 ETP).	Whole-of-income cap is smallest
4	Uses table A to determine withholding rate on amounts up to calculated whole-of-income cap of \$40,000 remembering Alec is under preservation age.	32%
5	Uses table A to determine withholding rate on amounts over the calculated whole-of-income cap of \$40,000. As the \$25,000 gratuity is under the cap, no further calculation is required.	Nil

MacroBiz withholds \$2,062 from the \$6,443 part of the ETP for genuine redundancy and \$8,000 from the \$25,000 gratuity part of the ETP. MacroBiz must issue Alec with two separate ETP payment summaries covering each part of the payment.

\* For more information about calculating the tax-free portion of a genuine redundancy payment, refer to [Taxation of termination payments](#)

## Payment summaries

You must provide your employee with one or more [PAYG payment summary – employment termination payment](#) (NAT 70868) forms within 14 days of making an ETP. The payment summary now includes an ETP code that you use to describe the type of payment and determines which cap, ETP cap or whole-of-income cap, is applied. Below is a table showing the type of ETPs and which code applies:

### Life benefit ETP

Code	Description
R	ETP because of: <ul style="list-style-type: none"> <li>■ early retirement scheme</li> <li>■ genuine redundancy</li> <li>■ invalidity or</li> <li>■ compensation for: <ul style="list-style-type: none"> <li>– personal injury</li> <li>– unfair dismissal</li> <li>– harassment</li> </ul> </li> </ul>



	– discrimination
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.

## Multiple payments for same termination

Code	Description
S	<p>This is a code R payment and you made one of the following payments to your employee in a <b>previous income year for the same termination</b>:</p> <ul style="list-style-type: none"> <li>■ a code R payment</li> <li>■ a code O payment</li> <li>■ a <b>transitional termination payment</b>.</li> </ul>
P	<p>This is a code O payment and you made one of the following payments to your employee in a <b>previous income year for the same termination</b>:</p> <ul style="list-style-type: none"> <li>■ a code R payment</li> <li>■ a code O payment</li> <li>■ a <b>transitional termination payment</b>.</li> </ul>

## Death benefit ETP

Code	Description
D	Death benefit ETP paid to a dependant of the deceased
B	Death benefit ETP paid to a non-dependant of the deceased and you made a termination payment to the non-dependant in a <b>previous income year for the same termination</b>
N	Death benefit ETP paid to a non-dependant of the deceased
T	Death benefit ETP paid to a trustee of the deceased estate

\* Transitional termination payments were certain ETPs paid to an employee under an employment contract entered into before 10 May 2006. They were taxed concessionally if paid before 1 July 2012.

### Find out more

- Information about transitional ETPs, refer to [Taxation of termination payment](#).

- Information about payment summaries, refer to [PAYG payment summaries and guidelines](#).

Payment summaries can also be printed using software that conforms with ATO reporting specifications.

### Find out more

For more details and reporting specifications, visit [Software developers homepage](#).

## Preservation age

Preservation age is determined using your employee's date of birth. The preservation table below shows the preservation age based on date of birth:

Date of birth	Preservation age
Before 1/7/1960	55
1/7/1960 – 30/6/1961	56
1/7/1961 – 30/6/1962	57
1/7/1962 – 30/6/1963	58
1/7/1963 – 30/6/1964	59
After 30/6/1964	60

## Table A: Withholding rates for ETPs

Income component derived by your employee in the income year	Age of person at the end of the income year that the payment is received	Component subject to PAYG withholding	Rate of withholding	Cap to apply
Life benefit ETP – taxable component  Payment is because of: <ul style="list-style-type: none"> <li>■ early retirement scheme</li> <li>■ genuine redundancy</li> <li>■ invalidity</li> <li>■ compensation for personal injury,</li> </ul>	Under preservation age	Up to the ETP cap amount <sup>1</sup>	32%	ETP cap
	Preservation age or over	Up to the ETP cap amount <sup>1</sup>	17%	ETP cap
	All ages	Amount above the ETP cap amount <sup>1</sup>	49%	ETP cap

unfair dismissal, harassment or discrimination.				
Life benefit ETP – taxable component Payment is: <ul style="list-style-type: none"> <li>■ a ‘golden handshake’</li> <li>■ non-genuine redundancy payment</li> <li>■ severance pay</li> <li>■ a gratuity</li> <li>■ in lieu of notice</li> <li>■ for unused sick leave</li> <li>■ for unused rostered days off.</li> </ul>	Under preservation age	Up to the relevant cap amount	32%	Smallest of ETP cap and whole-of-income cap <sup>2</sup>
	Preservation age or over	Up to the relevant cap amount	17%	Smallest of ETP cap and whole-of-income cap <sup>2</sup>
	All ages	Amount above the relevant cap amount	49%	Smallest of ETP cap and whole-of-income cap <sup>2</sup>
Death benefit ETP paid to non-dependants – taxable component <sup>3</sup>	All ages	Up to the ETP cap amount	32%	ETP cap
		Amount above the ETP cap amount	49%	ETP cap
Death benefit ETP paid to dependants – taxable component <sup>3</sup>	All ages	Up to the ETP cap amount	Nil	ETP cap
		Amount above the ETP cap amount	49%	ETP cap
Death benefit ETP paid to a trustee of a deceased estate <sup>4</sup>			Nil	

1. The ETP cap amount for the 2015-16 income year is \$195,000. The amount is indexed annually.

2. The whole-of-income cap amount for the 2015-16 income year and future years is \$180,000. This amount is not indexed.
3. A dependant includes both a child and spouse of the deceased. A child of the deceased includes all of the following:
  - an adopted child, stepchild or ex-nuptial child
  - 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 spouse of the deceased includes another person (of any sex) who:

- the deceased was in a relationship and that was registered under a prescribed state or territory law
- although not legally married, lived with the deceased on a genuine domestic basis in a relationship as a couple.

A dependant includes:

- any person with whom the deceased had an interdependency relationship, and this includes a close personal relationship between two people who live together, where one or both provides for the financial and domestic support and personal care of the other
  - a person who was a dependant of the deceased just before the latter died.
4. If an ETP will be paid to the trustee of a deceased estate, no amount should be withheld.

## Delayed termination payments

Generally, a payment must be made within 12 months of termination to qualify as an ETP. A payment made outside 12 months is a delayed termination payment, unless we have given approval for the payment to be treated as an ETP.

## When a TFN is provided

If your employee has given you their TFN, withhold an amount equal to 32% from the payment. Withholding amounts calculated are rounded to the nearest dollar. Results ending in 50 cents are rounded to the next higher dollar.

## When a TFN has not been provided

You must withhold 49% from the payment you make to a resident employee and 47% from a foreign resident employee (ignoring any cents) who has not given you their TFN.

# Schedule 12 – Tax table for superannuation lump sums

For payments made on or after 1 July 2015

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 (TAA)*. It applies to withholding payments covered by paragraph 12-85(a) of Schedule 1 to the TAA.

## Using this table

You should use this table if you make a super lump sum payment to an individual.

## Super lump sums

A super lump sum payment includes lump sum payments paid to an individual who has satisfied a condition of release. For example, retirement or death and lump sum payments to the trustee of a deceased estate.

The following lump sum payments from a super fund, approved deposit fund, retirement savings account or any other super product are subject to withholding:

- payments made to a person because they are a member of a super fund, a depositor of an approved deposit fund, or a holder of a retirement savings account or any other super product
- some super lump sum payments paid on the death of one person if paid to another person
- a payment when a super pension is exchanged for a lump sum.

A super lump sum paid to the trustee of a deceased estate after the death of a person is not subject to PAYG withholding.

Lump sum payments from a complying super fund made to individuals who are suffering from a terminal medical condition do not have amounts withheld from them.

Do not allow for any tax offsets or Medicare levy adjustments. Do not withhold any amount for:

- Higher Education Loan Program (HELP) debts
- Trade Support Loan (TSL) debts
- Financial Supplement debts.

# Working out the withholding amount

## When a TFN is provided

### Calculating a withholding amount for super lump sum

If your payee receives a super lump sum and has provided you with their TFN, you must calculate the amount to withhold by applying the rates set out in [table A](#).

A super lump sum can be made up of two components:

- a tax-free component
- a taxable component (consisting of taxed and untaxed elements).

You may be required to withhold an amount from the taxable component, including a super lump sum death benefit paid to a non-dependant. Do not withhold from the tax-free component.

If the person entitled to receive the super lump sum asks you to roll over their lump sum, you are generally not required to withhold from any of the rolled over amount. However, you may be required to withhold if the benefit being rolled over consists of an amount that is an untaxed element that exceeds the untaxed plan cap.

A super lump sum death benefit cannot be rolled over – whether paid to dependants or non-dependants.

## When a TFN has not been provided

If your payee has received a super lump sum and has not provided you with their TFN before the payment is made, you must withhold the following:

- 49% from the taxable component in a payment to a resident payee (ignoring any cents)
- 47% from the taxable component in a payment to a foreign resident payee (ignoring any cents).

If your payee is over 60 years of age at the date the payment is received, and the lump sum does not contain an untaxed element, you are not required to withhold where they have not provided their TFN.

If the lump sum contains an untaxed element, you are required to withhold from this element at 49% for resident payees or 47% for foreign resident payees (ignoring any cents).

## Table A: Withholding rates for super lump sums

Income component derived by the payee in the income year	Age of person at the date the payment is received	Component subject to PAYG withholding	Rate of withholding
Member benefit – taxable component – taxed element	Under preservation age	Whole amount	22%
	Preservation age to 59 years	Amount up to low rate cap <sup>1</sup>	Nil
		Amount above the low rate cap <sup>1</sup>	17%
	60 years and above	Whole amount	Nil
Member benefit – taxable component – untaxed element	Under preservation age	Amount up to untaxed plan cap <sup>2</sup>	32%
		Amount above untaxed plan cap <sup>2</sup>	49%
	Preservation age to 59 years	Amount up to low rate cap <sup>1</sup>	17%
		Amount above the low rate cap <sup>1</sup> up to the untaxed plan cap <sup>2</sup>	32%
		Amount above untaxed plan cap <sup>2</sup>	49%
	60 years and above	Amount up to untaxed plan cap <sup>2</sup>	17%
		Amount above untaxed plan cap <sup>2</sup>	49%
Lump sum death benefit paid to non-dependants <sup>4</sup> – taxable component – taxed element	Any	Whole amount	17%
Lump sum death benefit paid to non-dependants <sup>4</sup> – taxable component – untaxed element	Any	Whole amount	32%
Lump sum death benefit paid to dependants <sup>3</sup> – taxable	Any	None	Nil

component – taxed and untaxed elements			
Rollover super benefits – taxable component – taxed element	Any	Whole amount	Nil
Rollover super benefits – taxable component – untaxed element	Any	Amount up to the untaxed plan cap <sup>2</sup>	Nil
		Amount above untaxed plan cap <sup>2</sup>	49%
Super lump sum benefits less than \$200	Any	None <sup>5</sup>	Nil
Super lump sum benefit (terminally ill recipient)	Any	None	Nil

1. For the 2015-16 income year, the low rate cap is \$195,000 and is indexed annually. The low rate cap in relation to super lump sums paid to an individual who has reached their preservation age is the maximum amount of the taxable component that is allowed the lowest rate of tax. The low rate cap is a lifetime limit. The low rate cap is allocated to the taxed element first before allocating the remaining low rate cap to the untaxed element.

2. For the 2015-16 income year, the untaxed plan cap is \$1,395,000 and is indexed annually. For the low rate cap or the untaxed plan cap in prior years, phone us on **13 10 20** or visit [Super](#).

3. If the super lump sum death benefits are being paid to an individual who was a dependant of the deceased, do not withhold amounts from that payment. A dependant includes both a child and a spouse of the deceased.

A child of the deceased includes all of the following:

- an adopted child, stepchild or ex-nuptial child
- 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 spouse of the deceased includes another person (of any sex) who:

- the deceased was in a relationship and that was registered under a law of a prescribed state or territory
- although not legally married, lived with the deceased on a genuine domestic basis in a relationship as a couple.



A dependant includes:

- any person with whom the deceased had an interdependency relationship, and this includes a close personal relationship between two people who live together, where one or both provides for the financial and domestic support and personal care of the other.
- a person who was a dependent of the deceased just before the latter died.

Before accepting that a person is financially dependent, phone us on **13 10 20** for more information.

If the super death benefit is to be paid to the trustee of a deceased estate, an amount should not be withheld.

4. Any individual who is paid a lump sum death benefit is treated as a death benefits dependant of a deceased person if the deceased died in the line of duty as a member of the defence force, a member of the Australian Federal Police or the police force of a state or territory, or a protective service officer (as defined in the *Australian Federal Police Act 1979*).

5. There is no withholding required from the whole amount if it is paid by a regulated super fund, complying approved deposit fund or retirement savings account provider as a super lump sum and it is the payee's entire benefit.

## Rounding of withholding amounts

Withholding amounts calculated by applying this table are rounded to the nearest dollar. Results of 50 cents or higher are rounded upwards. If a TFN is not provided, ignore cents when calculating withholding amounts.

## Example

### **Super lump sum made by a super provider from a taxed element.**

Heather and Dean are members of the AAFund super fund and their ages are 56 and 61 years respectively. They have decided to retire and take some of their super as a lump sum. The preservation age for both of them is 55.

According to their entitlements, Heather and Dean will both receive a super lump sum of \$250,000 from AAFund. Each super lump sum has a tax-free component of \$30,000 and a taxable component of \$220,000. Heather and Dean have previously provided their respective TFNs to AAFund.

AAFund does not need to withhold from the tax-free component of \$30,000, but must withhold an amount from the taxable component of \$220,000. The taxable component of the super lump sum paid by AAFund is wholly made up of taxed elements.

### **Amount to withhold for Heather:**

As Heather is over her preservation age, she is entitled to the low rate cap.

1. Amount up to low rate cap = \$195,000 (2015-16 income year cap amount)
2. Amount above low rate cap = \$25,000 (\$220,000 – \$195,000)

3. Using table A amount to withhold from \$25,000 = \$4,250 (17% of \$25,000)

Note: The low rate cap is indexed annually.

**Amount to withhold for Dean:**

As Dean is over 60 years of age, no part of his super lump sum payment is subject to withholding.

## Payment summaries

Within **14 days** of making a lump sum payment, you must provide a [PAYG payment summary – superannuation lump sum](#) (NAT 70947) to the recipient of the super lump sum.

Payment summaries can also be printed using software that conforms with ATO reporting specifications.

**Find out more**

For information and reporting specifications visit [Software developers](#).

## Preservation age

Preservation age is determined using your payee's date of birth. The preservation table below will help with this:

Date of birth	Preservation age
Before 1/7/1960	55
1/7/1960 – 30/6/1961	56
1/7/1961 – 30/6/1962	57
1/7/1962 – 30/6/1963	58
1/7/1963 – 30/6/1964	59
After 30/6/1964	60

# Schedule 13 – Tax table for superannuation income streams

For payments made on or after 1 July 2015

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* (TAA). It applies to withholding payments covered by paragraph 12-80(a) of Schedule 1 to the TAA.

## Using this table

You should use this table if you make a payment of a super income stream, including a super death benefit income stream to your payee.

## Tax file number (TFN) declarations

The answers your payees provide on their [Tax file number declaration](#) (NAT 3092) determine the amount you need to withhold from their payments. A *Tax file number declaration* applies to any payments made after you receive the declaration. If you receive an updated declaration from a payee, it will override the previous one.

If a payee does not give you a valid *Tax file number declaration* within **14 days** of starting a payer/payee relationship, you must complete a *Tax file number declaration* with all available details of the payee and send it to us.

## When a TFN has not been provided

You must withhold 49% for residents and 47% for foreign residents from the taxable component (ignoring any cents), if a super income stream payment is made to your payee and 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 have made an enquiry with us.

However, if your payee is aged 60 years or above, only withhold from the untaxed element of the taxable component.

If a payee states at question 1 of the *Tax file number declaration* they have lodged a [Tax file number – application or enquiry for individuals](#) (NAT 1432) with us, they have **28 days** to provide you with their TFN.

If the payee has not given you their TFN within **28 days**, you must withhold 49% from any payment you make to a resident payee and 47% from a foreign resident payee from the relevant element(s) of the taxable component of the super income stream payment (ignoring any cents) unless we tell you not to.

Do not allow for any tax offsets or Medicare levy adjustments. Do not withhold any amount for:

- Higher Education Loan Program (HELP) debts
- Trade Support Loan (TSL) debts
- Financial Supplement debts.

## Working out the withholding amount

This table is divided into the following three parts. Certain characteristics of your payee and the payment will determine which part is used to work out the withholding amount – if:

- the taxable component is comprised wholly of a taxed element – use [part A](#)
- the taxable component contains an untaxed element – use [part B](#)
- the payment is a super death benefit income stream – use [part C](#).

## Rounding of withholding amounts

Withholding amounts calculated using formulas should be rounded to the nearest dollar. Results ending in exactly 50 cents are rounded to the next higher dollar. Do this rounding directly, that is, do not make a preliminary rounding to the nearest cent. Where no TFN has been provided, cents are ignored when withholding amounts are calculated.

## Components of a super income stream benefit

A super income stream may have two components:

- the tax-free component
- the taxable component which includes an
  - element taxed in the fund (taxed element), and/or
  - element untaxed in the fund (untaxed element).

For super income streams that started to be paid before 1 July 2007 the tax-free component will generally comprise the return of the payee's own contributions made before 1 July 2007 for which they have not claimed a personal superannuation contribution deduction in their income tax return.

For super income streams that started to be paid on or after 1 July 2007, the tax-free component will comprise the crystallised segment and the contributions segment.

The taxable component of a super income stream is the amount of the income stream minus the tax-free component.

The taxable component of a super income stream will generally comprise a taxed element where the income stream is paid from a taxed source; for example, where the income stream is funded from contributions and earnings that have been subject to tax in a super fund.

The taxable component of a super income stream will generally comprise an untaxed element where the income stream is funded from an untaxed source; for example, some state and Commonwealth public sector super schemes.

### Find out more

For more information, refer to [Working out components of a super benefit](#).

## Part A: Taxable component is comprised wholly of a taxed element

**Step 1** Use the following table to work out whether the taxable component is subject to withholding.

Age	Withholding applies to:
Below 60 years	Taxable component
60 years and over	No withholding

If your payee is 60 years of age or over, no withholding is required.

If your payee is less than 60 years of age, go to step 2.

**Step 2** Use the appropriate PAYG withholding tax table to calculate the withholding amount relevant to the amount worked out at step 1. The tax table you use depends on the period for which the income stream covers – that is, weekly, fortnightly or monthly.

Some payees may be eligible to claim the seniors and pensioners tax offset (SAPTO). If the payee gives you a [Withholding declaration](#) (NAT 3093) indicating that they want to claim a SAPTO entitlement through PAYG withholding, you should refer to [Tax table for seniors and pensioners](#) (NAT 4466) to work out the amount to withhold from the amount calculated in step 1.

**Step 3** Use the appropriate formula to calculate the Medicare levy adjustment:

- If your payee's taxable component (on a weekly basis) is less than the Medicare levy threshold for singles, their Medicare levy adjustment is nil.
- If your payee's taxable component (on a weekly basis) is greater than the Medicare levy threshold for singles, but less than the Medicare levy shade out point (SOP) for singles, their Medicare levy adjustment = (taxable component – Medicare levy threshold for singles) x 0.10.
- If your payee's taxable component (on a weekly basis) is greater than or equal to the Medicare levy SOP for singles, but less than \$934, their Medicare levy adjustment = taxable component x 0.02.
- If your payee's taxable component (on a weekly basis) is greater than \$933, their Medicare levy adjustment is nil.

Instructions on Medicare levy adjustments are contained in [Statement of formulas for calculating amounts to be withheld](#) (NAT 1004).

**Step 4** Some super income streams may be eligible for a tax offset. Use the following table to calculate the tax offset amount for your payee.

### Super income stream – taxable component

Age	Tax offset
Below preservation age	Nil
Preservation age to below 60 years	Taxed element × 15%

### Disability super income stream – taxable component

Age	Tax offset
Below preservation age	Taxed element × 15%
Preservation age to below 60 years	Taxed element × 15%

**Step 5** Calculate the notional amount to withhold by first subtracting the tax offset per payment (step 4) from the withholding amount (step 2).

$$\text{Notional amount to withhold} = \text{withholding amount} - \text{tax offset}$$

Then compare the notional amount to withhold with the Medicare levy adjustment calculated at step 3.

If the notional amount to withhold is:

- **less** than the amount calculated at step 3, withhold the amount calculated at step 3.
- **more** than the amount calculated at step 3, withhold the notional amount to be withheld.

## Fortnightly, monthly and quarterly equivalents for step 3

If you make a fortnightly, monthly or quarterly payment, use the instructions contained in [Statement of formulas for calculating amounts to be withheld](#) (NAT 1004) to calculate the appropriate amounts for the thresholds and formulas in step 3.

## Part B: Taxable component contains an untaxed element

**Step 1** Use the following table to work out which elements of the taxable component are subject to withholding.

Age	Taxable component of super income stream contains		Withholding applies to the following amount(s)
	Untaxed element	Taxed element	
Below preservation age	Yes	Yes	Sum of untaxed and taxed elements
	No	Yes	Taxed element
	Yes	No	Untaxed element

Preservation age to below 60 years	Yes	Yes	Sum of untaxed and taxed elements
	No	Yes	Taxed element
	Yes	No	Untaxed element
60 years and over	Yes	Yes	Untaxed element
	No	Yes	No withholding
	Yes	No	Untaxed element

**Step 2** Use the appropriate PAYG withholding tax table to calculate the withholding amount relevant to the amount worked out in step 1. The tax table you use depends on the period for which the income stream covers – that is, weekly, fortnightly or monthly.

Some payees may be eligible to claim the SAPTO. If the payee gives you a *Withholding declaration* indicating they want to claim a SAPTO entitlement through PAYG withholding, you should use the [Tax table for seniors and pensioners](#) (NAT 4466) to work out the amount to withhold from the amount calculated in step 1.

**Step 3** Some super income streams may be eligible for a tax offset. Use the following table to work out the tax offset amount for the payee.

**Super income stream – taxable component**

Age	Tax offset
Below preservation age	Nil
Preservation age to below 60 years	Taxed element × 15% Untaxed element - Nil
60 years and over	Untaxed element x 10%

**Disability super income stream – taxable component**

Age	Tax offset
Below preservation age	Taxed element × 15% Untaxed element - Nil
Preservation age to below 60 years	Taxed element × 15% Untaxed element - Nil
60 years and over	Untaxed element x 10%

**Step 4** Work out the amount to withhold by subtracting the tax offset per payment (step 3) from the withholding amount (step 2).

Amount to withhold = withholding amount – tax offset

If the tax offset amount is greater than the withholding amount, the amount to withhold is nil.

## Part C: Payment is a super death benefit income stream

**Step 1** Use the following table to work out which elements of the taxable component are subject to withholding.

### Super death benefit paid to a dependant<sup>1</sup>

Age of deceased	Age of recipient	Taxable component of super death benefit income stream contains		Withholding applies to the following amount(s)
		Untaxed element	Taxed element	
Below 60 years	Below 60 years	Yes	Yes	Sum of untaxed and taxed elements
		Yes	No	Untaxed element
		No	Yes	Taxed element
	60 years and over	Yes	Yes	Untaxed element
		Yes	No	Untaxed element
		No	Yes	No withholding
60 years and over		Yes	Yes	Untaxed element
		Yes	No	Untaxed element
		No	Yes	No withholding

<sup>1</sup> Dependants include all children of the deceased under the age of 18, any spouse of the deceased (including a former spouse and a current or former de facto spouse) and any person with whom the deceased had an interdependency relationship. An interdependency relationship includes a close personal relationship between two people who live together, where one or both provides for the financial and domestic support and personal care of the other. A dependant can also be a person who was financially dependent on the deceased. Before accepting that a person is financially dependent, phone us on **13 10 20**.

**Step 2** Use the appropriate PAYG withholding tax table to calculate the withholding amount relevant to the amount worked out in step 1. The tax table you use depends on the period for which the income stream covers – that is, weekly, fortnightly or monthly.

Some payees may be eligible to claim the SAPTO. If the payee gives you a *Withholding declaration* indicating they want to claim a SAPTO entitlement through PAYG withholding, you should use the [Tax table for seniors and pensioners](#) (NAT 4466) to work out the amount to withhold from the amount calculated in step 1.

**Step 3** Some super income streams may be eligible for a tax offset. Use the following table to work out the tax offset amount for the payee.



### Super death benefits paid to a dependant

Age of deceased	Age of recipient	Tax offset
Below 60 years	Below 60 years	Taxed element x 15% Untaxed element - Nil
	60 years and over	Untaxed element x 10%
60 years and over	Any age	Untaxed element x 10%

**Step 4** Work out the amount to withhold by subtracting the tax offset per payment (step 3) from the withholding amount (step 2).

Amount to withhold = withholding amount – tax offset

If the tax offset amount is greater than the withholding amount, the amount to withhold is nil.

## Super death benefits paid to a non-dependant

A person who is not a dependant of the deceased is not able to receive a super income stream. A super death benefit income stream that was being paid to a non-dependant prior to 1 July 2007 is taxed in the same manner as a super death benefit income stream paid to a dependant.

## Examples

These examples use the PAYG withholding tax tables that apply from 1 July 2015.

### Case A: Taxable component comprised wholly of a taxed element

#### Example 1

Courtney is 61 and is receiving fortnightly super income stream of \$1,000.

The tax-free component of Courtney's fortnightly super income stream is \$200.

The taxable component of the super income stream is \$800

Step 1: As Courtney is over 60 years of age and her taxable component is comprised wholly of a taxed element, no withholding is required.

#### Example 2

Maree is 56 and is receiving fortnightly super income stream of \$1,200. Maree's preservation age is 55.

The tax-free component of Maree's fortnightly super income stream is \$300. The taxable component of Maree's super income stream is \$900.

Step 1: As Maree is 56, withholding applies to the taxable component.

Step 2: As Maree is paid fortnightly, use *Fortnightly tax table* (NAT 1006) to work out the withholding required from the \$900 taxed element. This amount is \$48, assuming that Maree is claiming the tax-free threshold.

Step 3: Calculate Maree's fortnightly Medicare levy adjustment. As Maree's fortnightly payment is more than \$790 (the Medicare levy threshold for singles, on a fortnightly basis) but less than \$986 (the Medicare levy SOP for singles, on a fortnightly basis), her Medicare levy adjustment is calculated as:

$$\text{Medicare levy adjustment} = (\$900 - \$790) \times 0.10$$

$$= 11.00$$

$$= \$11 \text{ per fortnight (rounded to the nearest dollar)}$$

Therefore, Maree's Medicare levy adjustment is \$11 per fortnight.

Step 4: Maree is entitled to a tax offset.

$$\text{Tax offset} = \text{taxed element} \times 15\%$$

$$= \$900 \times 15\%$$

$$= \$135$$

Step 5: To calculate the notional withholding amount, reduce the withholding amount (\$48 as worked out in step 2) by the value of the tax offset (\$135 as worked out in step 4). That is:

$$\text{Notional withholding amount} = \$48 - \$135$$

$$= -\$87$$

Since the notional withholding amount is negative and less than the Medicare levy adjustment, the amount to be withheld from Maree's fortnightly super income stream is \$11. This is the Medicare levy adjustment amount.

### **Case B: Taxable component comprises a taxed element and an untaxed element**

Ralph is 63 and receives fortnightly super income stream of \$3,000.

The tax-free component of Ralph's fortnightly super income stream is \$900. The taxable component of his super income stream is \$2,100.

Step 1: Ralph's \$2,100 taxable component is comprised of a \$600 taxed element and a \$1,500 untaxed element. As Ralph is over 60 years of age, no withholding will apply to the taxed element. Withholding will apply to the \$1,500 untaxed element.

Step 2: Using the *Fortnightly tax table* (NAT 1006), work out the withholding required from the \$1,500 untaxed element. This is \$192, assuming that Ralph is claiming the tax-free threshold.

Step 3: Ralph is entitled to a tax offset.

$$\text{Tax offset} = \text{untaxed element} \times 10\%$$

$$= \$1,500 \times 10\%$$

$$= \$150$$

Step 4: Reduce the withholding amount (\$192 as worked out in step 2) by the value of the tax offset (\$150).

$$\text{Final withholding amount} = \text{withholding amount less tax offset}$$

$$= \$192 - \$150$$

$$= \$42$$

**Case C: Super death benefit income stream where the taxable component comprises a taxed element and an untaxed element**

Harriet is 58 and her husband, 58, dies in July 2015. As a result of her husband's death, Harriet receives a fortnightly super death benefit income stream of \$2,000.

The tax-free component of Harriet's super death benefit income stream is \$400. The taxable component of Harriet's super death benefit income stream is \$1,600.

Step 1: Harriet's \$1,600 taxable component is comprised of a \$600 taxed element and a \$1,000 untaxed element. As Harriet is 58 and her husband was also under 60, withholding will apply to the full taxable component.

Step 2: Using the *Fortnightly tax table* (NAT 1006), work out the withholding required from the \$1,600 taxable component. This is \$226, assuming that Harriet is claiming the tax-free threshold.

Step 3: Harriet is entitled to a tax offset.

$$\text{Tax offset} = \text{taxed element} \times 15\%$$

$$= \$600 \times 15\%$$

$$= \$90$$

Step 4: Reduce the withholding amount (\$226 as worked out in step 2) by the value of the tax offset (\$90).

$$\text{Final withholding amount} = \text{withholding amount} - \text{tax offset}$$

$$= \$226 - \$90$$

$$= \$136$$

## Preservation age

Preservation age is determined using your payee's date of birth. The preservation table below will help with this:

Date of birth	Preservation age
Before 1/7/1960	55
1/7/1960 – 30/6/1961	56
1/7/1961 – 30/6/1962	57
1/7/1962 – 30/6/1963	58
1/7/1963 – 30/6/1964	59
After 30/6/1964	60