

Medicare levy adjustment weekly tax table

For payments made on or after 1 July 2018

Using this table

You should use this table if you make payments to your employee on a weekly basis and they are entitled to a Medicare levy adjustment.

This table should be used with the *Weekly tax table* (NAT 1005) and the *Medicare levy variation declaration* (NAT 0929)

For a full list of tax tables, visit our website at ato.gov.au/taxtables

We have a calculator to help work out the correct amount of tax to withhold from payments to most employees. To access the calculator, visit our website at ato.gov.au/taxwithheldcalculator

When your employee is entitled to a Medicare levy adjustment

Your employee is entitled to an adjustment if they meet **all** of the following requirements:

- they have provided you with a *Medicare levy variation declaration* (NAT 0929) in which they
 - claimed dependants
 - answered **yes** to question 10 in the declaration ‘Is the combined weekly income of you and your spouse, or your income as a sole parent, less than the relevant amount in Table A on page 2?’.
- they have weekly earnings of \$422 or more, but less than the corresponding amount in column A of Table 1 on page 2 – for example, an employee who claims two dependent children must have weekly earnings of less than \$1,055 to be entitled to a Medicare levy adjustment.

No Medicare levy is payable on weekly earnings of less than \$422.

If your employee claims more than 10 children, the column A amount is \$1,710, plus \$82 for each child claimed in excess of 10.

Column B shows the values used in calculating adjustments for employees with more than five dependent children. If your employee claims more than 10 dependent children, the column B amount is \$1,368.25 plus \$65.50 for each child in excess of 10.

For information about how to use Table 1, refer to ‘Working out the Medicare levy adjustment’ on page 2.



Table 1: Medicare levy adjustments

	Column A	Column B
Spouse only	\$891	—
Number of children		
1	\$973	—
2	\$1,055	—
3	\$1,137	—
4	\$1,219	—
5	\$1,300	—
6	\$1,382	\$1,106.25
7	\$1,464	\$1,171.75
8	\$1,546	\$1,237.25
9	\$1,628	\$1,302.75
10	\$1,710	\$1,368.25

Working out the withholding amount

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

- 1 Use the *Weekly tax table* (NAT 1005) to find the weekly amount to withhold from your employee's earnings, allowing for any tax offsets claimed.
- 2 Reduce this amount by the amount of the Medicare levy adjustment, worked out as detailed below.

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

Working out the Medicare levy adjustment

How you work out the Medicare levy adjustment varies depending on the number of dependent children your employee is claiming, see either:

- 'Employee claiming spouse and/or one to five dependent children'
- 'Employee with more than five dependent children'.

Employee claiming spouse and/or one to five dependent children

Round the weekly earnings down to the nearest dollar amount. Use the table from page 4 to find your employee's weekly earnings in the 'Weekly earnings' column and find the corresponding amount of Medicare levy adjustment in the appropriate column.

Example

The employee has weekly earnings of \$454.70 and is claiming four dependent children on the *Medicare levy variation declaration*. Find \$454 in the 'Weekly earnings' column and find the corresponding Medicare levy adjustment of \$3.00 from the '4 children' column.

Employee with more than five dependent children

How you work out the Medicare levy adjustment for an employee with more than five dependent children varies depending on the weekly earnings of your employee, refer to:

- 'Weekly earnings less than \$1,041 below
- 'Weekly earnings of \$1,041 or more but less than the column B amount that corresponds to the number of dependent children claimed' on page 3
- 'Weekly earnings of \$1,041 or more and greater than the column B amount but less than the column A amount that corresponds to the number of dependent children claimed' on page 3.

Weekly earnings less than \$1,041

Use the '5 children' column. Round the weekly earnings down to the nearest dollar. Use the table from page 4 to find your employee's earnings in the 'Weekly earnings' column and find the corresponding amount of Medicare levy adjustment from the '5 children' column.

Example

The employee has weekly earnings of \$904.89 and is claiming six dependent children. Find \$904 in the 'Weekly earnings' column and refer to the corresponding Medicare levy adjustment of \$18.00 from the '5 children' column.

Weekly earnings of \$1,041 or more but less than the column B amount that corresponds to the number of dependent children claimed

Round the weekly earnings down to the nearest dollar and add 99 cents. Take 2% of that amount and round to the nearest dollar.

Example

The employee has weekly earnings of \$1,050.48 and is claiming seven dependent children. Take 2% of \$1,050.99 (weekly earnings of \$1,050, rounded down to the nearest dollar, plus 99 cents), this equals \$21.02.

The Medicare levy adjustment is \$21, rounded to the nearest dollar.

Weekly earnings of \$1,041 or more and greater than the column B amount but less than the column A amount that corresponds to the number of dependent children claimed

Complete steps 1–4 below:

- 1 Take 2% of the relevant column B amount. Round the result to the nearest cent.
- 2 Take 8% of the difference between the weekly earnings (round down to the nearest dollar plus 99 cents) and the column B amount. Round the result to the nearest cent.
- 3 Subtract the result of step 2 from step 1.
- 4 Round the result to the nearest dollar.

Example

The employee has weekly earnings of \$1,259.32 and is claiming seven dependent children.

- 1 $2\% \times \$1,171.75$ (column B amount for seven children)
= \$23.44
- 2 $8\% \times (\$1,259.99 - \$1,171.75)$
= $8\% \times \$88.24$
= \$7.06
- 3 $\$23.44 - \7.06
= \$16.38
- 4 \$16.00 (\$16.38 rounded to the nearest dollar).

The Medicare levy adjustment is \$16.

Using a formula

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

If you have developed your own payroll software package, refer to *Statement of formulas for calculating amounts to be withheld* (NAT 1004).

PAYG withholding publications

You can access all PAYG withholding tax tables and other PAYG withholding publications quickly and easily from our website at ato.gov.au/paygw

Medicare levy adjustment weekly tax table

Weekly earnings \$	Spouse only \$	1 child \$	2 children \$	3 children \$	4 children \$	5 children \$
1275	—	—	—	—	—	2.00
1276	—	—	—	—	—	2.00
1277	—	—	—	—	—	2.00
1278	—	—	—	—	—	2.00
1279	—	—	—	—	—	2.00
1280	—	—	—	—	—	2.00
1281	—	—	—	—	—	2.00
1282	—	—	—	—	—	1.00
1283	—	—	—	—	—	1.00
1284	—	—	—	—	—	1.00
1285	—	—	—	—	—	1.00
1286	—	—	—	—	—	1.00
1287	—	—	—	—	—	1.00
1288	—	—	—	—	—	1.00
1289	—	—	—	—	—	1.00
1290	—	—	—	—	—	1.00
1291	—	—	—	—	—	1.00
1292	—	—	—	—	—	1.00
1293	—	—	—	—	—	1.00
1294	—	—	—	—	—	—
1295	—	—	—	—	—	—
1296	—	—	—	—	—	—
1297	—	—	—	—	—	—
1298	—	—	—	—	—	—
1299	—	—	—	—	—	—
1300	—	—	—	—	—	—
1301	—	—	—	—	—	—
1302	—	—	—	—	—	—
1303	—	—	—	—	—	—
1304	—	—	—	—	—	—
1305	—	—	—	—	—	—
1306	—	—	—	—	—	—
1307	—	—	—	—	—	—

Our commitment to you

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

If you follow our information in this publication and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we must still apply the law correctly. If that means you owe us money, we must ask you to pay it but we will not charge you a penalty. Also, if you acted reasonably and in good faith we will not charge you interest.

If you make an honest mistake in trying to follow our information in this publication and you owe us money as a result, we will not charge you a penalty. However, we will ask you to pay the money, and we may also charge you interest. If correcting the mistake means we owe you money, we will pay it to you. We will also pay you any interest you are entitled to.

If you feel that this publication does not fully cover your circumstances, or you are unsure how it applies to you, you can seek further assistance from us.

We regularly revise our publications to take account of any changes to the law, so make sure that you have the latest information. If you are unsure, you can check for more recent information on our website at ato.gov.au or contact us.

This publication was current at **July 2018**.

© Australian Taxation Office for the Commonwealth of Australia, 2018

You are free to copy, adapt, modify, transmit and distribute this material as you wish (but not in any way that suggests the ATO or the Commonwealth endorses you or any of your services or products).

Published by

Australian Taxation Office
Canberra
July 2018

C122-00002