

Statement of formulas for calculating study and training support loans 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 2022 to 30 June 2023

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
- VET Student Loan (VSL) debt
- Financial Supplement (FS) debt
- Student Start-up Loan (SSL) debt (includes ABSTUDY SSL debts), or
- Trade Support Loan (TSL) debt.

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

Our tax withheld calculator can help you 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

Using a formula

The withholding amounts for employees who have a study and training support loans 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 study and training support loans 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.



Study and training support loans components rates

Tax-free threshold claimed or foreign resident

Weekly earnings (x) \$		Component rate (a) %
0	to 929.99	—
930.00	to 1,072.99	1.0
1,073.00	to 1,137.99	2.0
1,138.00	to 1,205.99	2.5
1,206.00	to 1,277.99	3.0
1,278.00	to 1,354.99	3.5
1,355.00	to 1,435.99	4.0
1,436.00	to 1,522.99	4.5
1,523.00	to 1,613.99	5.0
1,614.00	to 1,710.99	5.5
1,711.00	to 1,813.99	6.0
1,814.00	to 1,922.99	6.5
1,923.00	to 2,037.99	7.0
2,038.00	to 2,159.99	7.5
2,160.00	to 2,289.99	8.0
2,290.00	to 2,426.99	8.5
2,427.00	to 2,572.99	9.0
2,573.00	to 2,726.99	9.5
2,727.00	and over	10.0

No tax-free threshold claimed

Weekly earnings (x) \$		Component rate (a) %
0	to 579.99	—
580.00	to 722.99	1.0
723.00	to 787.99	2.0
788.00	to 855.99	2.5
856.00	to 927.99	3.0
928.00	to 1,004.99	3.5
1,005.00	to 1,085.99	4.0
1,086.00	to 1,172.99	4.5
1,173.00	to 1,263.99	5.0
1,264.00	to 1,360.99	5.5
1,361.00	to 1,463.99	6.0
1,464.00	to 1,572.99	6.5
1,573.00	to 1,687.99	7.0
1,688.00	to 1,809.99	7.5
1,810.00	to 1,939.99	8.0
1,940.00	to 2,076.99	8.5
2,077.00	to 2,222.99	9.0
2,223.00	to 2,376.99	9.5
2,377.00	and over	10.0

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 2. 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 3 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 2
- **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 3 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 study and training support loans component

You will need to calculate the study and training support loans 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 on whether they have a
 - Higher Education Loan Program (HELP) debt
 - VET Student Loan (VSL) debt
 - Financial Supplement (FS) debt
 - Student Start-up Loan (SSL) debt (including ABSTUDY SSL debts) 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
 - \$930 or more if paid weekly
 - \$1,860 or more if paid fortnightly
 - \$4,030.00 or more if paid monthly
 - \$12,090 or more if paid quarterly.

If your employee has not claimed the tax-free threshold, the study and training support loans component is calculated on earnings of:

- \$580 or more if paid weekly
- \$1,160 or more if paid fortnightly
- \$2,513.33 or more if paid monthly
- \$7,540 or more if paid quarterly.

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

Example 1 – weekly earnings

Employee has claimed the tax-free threshold and has weekly earnings of \$1,095.84.

STSL component = $\$1,095.99 \times 2\% = \22.00 rounded to the nearest dollar.

Example 2 – fortnightly earnings

Employee has claimed the tax-free threshold and has fortnightly earnings of \$2,355.78.

Weekly equivalent of $\$2,355.78 = \$1,177.99$ ($\$2,355.78 \div 2$, ignoring cents and adding 99 cents)

Weekly STSL component = $\$1,177.99 \times 2.5\% = \29.00 rounded to the nearest dollar.

Fortnightly STSL component = $\$58.00$ ($\$29.00 \times 2$).

Example 3 – monthly earnings

Employee has claimed the tax-free threshold and has monthly earnings of \$5,488.45.

Weekly equivalent of $\$5,488.45 = \$1,266.99$ ($\$5,488.45 \times 3 \div 13$, ignoring cents and adding 99 cents).

Weekly STSL component = $\$1,266.99 \times 3\% = \38.00 rounded to the nearest dollar.

Monthly STSL component = $\$165.00$ ($\$38.00 \times 13 \div 3$, rounded to the nearest dollar).

Do not withhold any amount for study and training support loans debts from lump sum termination payments.

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.

Payroll software

Software written in accordance with the formulas in this schedule should be tested for accuracy against the sample data provided at ato.gov.au/taxtables. The results obtained when using the coefficients in this schedule may differ slightly from the sums of the amounts shown in the PAYG tax tables. The differences result from the rounding of components. Withholding calculated using either method is accepted.

Coefficients to work out the weekly amounts to withhold including the study and training support loans component

Your employee's total withholding, including the study and training support loans 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 study and training support loans debt, you will need to set up two separate scales in your payroll system. One scale will need to incorporate the study and training support loans component and one will not – for example, name one 'scale 2' and the other 'scale 22'.

The study and training support loans component **does not** apply if the employee has not provided a tax file number (TFN).

For scales without the study and training support loans component, refer to *Statement of formulas for calculating amounts to be withheld* (NAT 1004).

Where tax-free threshold NOT claimed in Tax file number declaration Scale 1		
WITH STSL Debt		
Weekly earnings (x) less than	a	b
\$ 88	0.1900	0.1900
371	0.2348	3.9639
515	0.2190	-1.9003
580	0.3477	64.4297
723	0.3577	64.4297
788	0.3677	64.4297
856	0.3727	64.4297
928	0.3777	64.4297
932	0.3827	64.4297
1,005	0.3800	61.9132
1,086	0.3850	61.9132
1,173	0.3900	61.9132
1,264	0.3950	61.9132
1,361	0.4000	61.9132
1,464	0.4050	61.9132
1,573	0.4100	61.9132
1,688	0.4150	61.9132
1,810	0.4200	61.9132
1,940	0.4250	61.9132
1,957	0.4300	61.9132
2,077	0.4750	150.0093
2,223	0.4800	150.0093
2,377	0.4850	150.0093
3,111	0.4900	150.0093
3,111 & over	0.5700	398.9324

Where payee has claimed the tax free threshold in Tax file number declaration with or without leave loading Scale 2		
WITH STSL Debt		
Weekly earnings (x) less than	a	b
\$ 359	—	—
438	0.1900	68.3462
548	0.2900	112.1942
721	0.2100	68.3465
865	0.2190	74.8369
930	0.3477	186.2119
1,073	0.3577	186.2119
1,138	0.3777	186.2119
1,206	0.3677	186.2119
1,278	0.3727	186.2119
1,282	0.3777	186.2119
1,355	0.3827	186.2119
1,436	0.3800	182.7504
1,523	0.3850	182.7504
1,614	0.3900	182.7504
1,711	0.3950	182.7504
1,814	0.4000	182.7504
1,923	0.4050	182.7504
2,038	0.4100	182.7504
2,160	0.4150	182.7504
2,290	0.4200	182.7504
2,307	0.4250	182.7504
2,427	0.4300	182.7504
2,573	0.4750	286.5965
2,727	0.4800	286.5965
3,461	0.4850	286.5965
3,461 & over	0.4900	286.5965
	0.5700	563.5196

Foreign residents		
Scale 3		
WITH STSL Debt		
Weekly earnings (x) less than		
\$	a	b
930	0.3250	0.3250
1,073	0.3350	0.3250
1,138	0.3450	0.3250
1,206	0.3500	0.3250
1,278	0.3550	0.3250
1,355	0.3600	0.3250
1,436	0.3650	0.3250
1,523	0.3700	0.3250
1,614	0.3750	0.3250
1,711	0.3800	0.3250
1,814	0.3850	0.3250
1,923	0.3900	0.3250
2,038	0.3950	0.3250
2,160	0.4000	0.3250
2,290	0.4050	0.3250
2,307	0.4100	0.3250
2,427	0.4550	103.8462
2,573	0.4600	103.8462
2,727	0.4650	103.8462
3,461	0.4700	103.8462
3,461 & over	0.5500	380.7692

Where payee claimed FULL exemption from Medicare levy in Medicare levy variation declaration		
Scale 5		
WITH STSL Debt		
Weekly earnings (x) less than		
\$	a	b
359	—	—
721	0.1900	68.3462
865	0.1990	74.8365
930	0.3277	186.2115
1,073	0.3377	186.2115
1,138	0.3477	186.2115
1,206	0.3527	186.2115
1,278	0.3577	186.2115
1,282	0.3627	186.2115
1,355	0.3600	182.7500
1,436	0.3650	182.7500
1,523	0.3700	182.7500
1,614	0.3750	182.7500
1,711	0.3800	182.7500
1,814	0.3850	182.7500
1,923	0.3900	182.7500
2,038	0.3950	182.7500
2,160	0.4000	182.7500
2,290	0.4050	182.7500
2,307	0.4100	182.7500
2,427	0.4550	286.5962
2,573	0.4600	286.5962
2,727	0.4650	286.5962
3,461	0.4700	286.5962
3,461 & over	0.5500	563.5192

Where payee claimed HALF exemption from Medicare levy in Medicare levy variation declaration		
Scale 6		
WITH STSL Debt		
Weekly earnings (x) less than		
\$	a	b
359	—	—
721	0.1900	68.3462
739	0.1990	74.8365
865	0.2490	111.8308
924	0.3777	223.2058
930	0.3377	186.2119
1,073	0.3477	186.2119
1,138	0.3577	186.2119
1,206	0.3627	186.2119
1,278	0.3677	186.2119
1,282	0.3727	186.2119
1,355	0.3700	182.7504
1,436	0.3750	182.7504
1,523	0.3800	182.7504
1,614	0.3850	182.7504
1,711	0.3900	182.7504
1,814	0.3950	182.7504
1,923	0.4000	182.7504
2,038	0.4050	182.7504
2,160	0.4100	182.7504
2,290	0.4150	182.7504
2,307	0.4200	182.7504
2,427	0.4650	286.5965
2,573	0.4700	286.5965
2,727	0.4750	286.5965
3,461	0.4800	286.5965
3,461 & over	0.5600	563.5196

Notes:

Scale 1 contains a negative value for one of the 'b' coefficients. This is intentional.

Withholding amounts including the study and training support loans component worked out using the coefficients may differ slightly from the sums of the amounts shown in the PAYG and study and training support loans tax tables. The differences result from the rounding of components. Withholding calculated using either method is accepted.

For sample data, visit our website at ato.gov.au/taxtables

PAYG withholding publications

You can access all pay as you go (PAYG) withholding tax tables and other PAYG withholding publications quickly and easily from our website. For more information, refer to:

- ato.gov.au/taxtables
- ato.gov.au/paygw

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