



Australian Government

Australian Taxation Office

Legislative Instrument

TAXATION ADMINISTRATION ACT WITHHOLDING SCHEDULES 2017

I, Emma Rosenzweig, Deputy Commissioner of Taxation, make this determination under section 15-25 of Schedule 1 to the *Taxation Administration Act 1953*.

Emma Rosenzweig

Deputy Commissioner of Taxation
24 May 2017

1. Name of instrument

This determination is the *Taxation Administration Act Withholding Schedules 2017*.

2. Commencement

This instrument commences on 1 July 2017.

3. Repealing of existing instruments

This instrument repeals legislative instruments:

- Taxation Administration Act Withholding Schedules 2016 – F2016L01035, registered on 16 June 2016, and
- Taxation Administration Act Withholding Schedules Correction October 2016 – F2016L01506, registered on 27 September 2016

4. Purpose

- (a) 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*.
- (b) The withholding schedules in this instrument are made for the purposes of collecting income tax, Medicare 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*.

5. Withholding schedules

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

Schedule number	Quick code number	Title
1	52068	Schedule 1 – Statement of formulas for calculating amounts to be withheld
2	52069	Schedule 2 - Tax table for individuals employed in the horticultural or shearing industry
3	52070	Schedule 3 – Tax table for actors, variety artists and other entertainers
4	52071	Schedule 4 – Tax table for return to work payments
5	52072	Schedule 5 – Tax table for back payments, commissions, bonuses and similar payments
6	52073	Schedule 6 – Tax table for annuities
7	52074	Schedule 7 – Tax table for unused leave payments on termination of employment
8	52075	Schedule 8 – Statement of formulas for calculating HELP, SSL, TSL and SFSS components
9	52076	Schedule 9 – Tax table for seniors and pensioners
11	52077	Schedule 11 – Tax table for employment termination payments
12	52078	Schedule 12 – Tax table for superannuation lump sums
13	52079	Schedule 13 – Tax table for superannuation income streams
15	52080	Schedule 15: Tax table for working holiday makers

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

For payments made on or after 1 July 2017

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).

See also:

- You can download a printable version of [Statement of formulas for calculating amounts to be withheld \(PDF, 412KB\)](#) (NAT 1004) 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
66	0.1900	0.1900
361	0.2337	2.9035
932	0.3477	44.1189
1,323	0.3450	41.6024
3,111	0.3900	101.1408
3,111 & over	0.4700	350.0639

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

Weekly earnings (x) less than \$	a	b
355	-	-
416	0.1900	67.4635
520	0.2900	109.1077
711	0.2100	67.4646
1,282	0.3477	165.4435
1,673	0.3450	161.9819
3,461	0.3900	237.2704
3,461 & over	0.4700	514.1935

Foreign residents –Scale 3

Weekly earnings (x) less than \$	a	b
1,673	0.3250	0.3250
3,461	0.3700	75.2885
3,461 & over	0.4500	352.2115

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

Earnings	Tax rate
Resident \$1 & over	0.4700
Foreign resident \$1 & over	0.4500

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

Weekly earnings (x) less than \$	a	b
355	-	-
711	0.1900	67.4635
1,282	0.3277	165.4423
1,673	0.3250	161.9808
3,461	0.3700	237.2692
3,461 & over	0.4500	514.1923

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

Weekly earnings (x) less than \$	a	b
355	-	-
702	0.1900	67.4635
711	0.2400	102.5990
878	0.3777	200.5779
1,282	0.3377	165.4425
1,673	0.3350	161.9810
3,461	0.3800	237.2694
3,461 & over	0.4600	514.1925

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. Scale 1, 2, 4 and 6 incorporate the Medicare levy. Scale 4 incorporates the Medicare levy for residents only.
7. For scale 2 no Medicare levy is payable by a person whose taxable income for the year is \$21,655 (\$416 per week) or less. Where the taxable income exceeds \$21,655 but is less than \$27,068 (\$520 per week), the levy is shaded in at the rate of 10% of the excess over \$21,655. Where a person's taxable income is \$27,068 (\$520 per week) or more, Medicare is levied at the rate of 2% of total taxable income.
8. 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

Parameter	Scale 2	Scale 6
Weekly earnings threshold	416	702
Weekly earnings shade-in threshold	520	878
Medicare levy family threshold	36,541	36,541
Weekly family threshold divisor	52	52
Additional child	3,356	3,356
Shading out point multiplier	0.1000	0.0500
Shading out point divisor	0.0800	0.0400
Weekly levy adjustment factor	416.4400	702.7100
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 about:

- [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 adjustment](#).

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.

Extra withholding amount

Weekly earnings \$	Additional withholding \$
725 to 1,649	3
1,650 to 3,449	4
3,450 and over	9

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.

Extra withholding amount

Fortnightly earnings \$	Additional withholding \$
1,400 to 3,299	12
3,300 to 6,799	17
6,800 and over	36

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	\$467.59
Add allowance subject to withholding	\$ 9.50
Total earnings (ignore cents)	\$477.00
Add 99 cents	\$0.99
Weekly earnings	\$477.99

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](#), may be entitled to a Medicare levy adjustment if they have weekly earnings of one of the following:

- \$416 or more where scale 2 is applied
- \$702 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:

- \$520 or more where scale 2 is applied
- \$878 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*:
 - $WFT = \$702.71 (36,541 \div 52)$ (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 3,356 and add the result to 36,541
 - 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:

$$WFT = ([3,356 \times 2] + 36,541) \div 52$$

$$WFT = 831.7885 \text{ or } \$831.79 \text{ (rounded to the nearest cent)}$$

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:

$$\text{WFT} = ([3,356 \times 6] + 36,541) \div 52$$

$$\text{WFT} = 1,089.9423 \text{ or } \$1,089.94 \text{ (rounded to the nearest cent)}$$

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

$$\text{SOP} = (\$1,089.94 \times 0.1) \div 0.0800$$

$$\text{SOP} = 1,362.4250 \text{ or } \$1,362 \text{ (ignoring cents)}$$

Weekly Levy Adjustment (WLA)

Where scale 2 is applied

Where weekly earnings are \$416 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 \$520, $\text{WLA} = (\mathbf{x} - 416.44) \times 0.1$
2. If **x** is \$520 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 \$702 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 \$878, $\text{WLA} = (\mathbf{x} - 702.71) \times 0.05$
2. If **x** is \$878 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, $\text{WLA} = (\text{WFT} \times 0.0100) - ([\mathbf{x} - \text{WFT}] \times 0.0400)$

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 \$465.33 and scale 2 is applied.

$$\mathbf{x} = 465.99$$

As **x** is less than \$520, WLA is calculated using formula (1):

$$\text{WLA} = (465.99 - 416.44) \times 0.1$$

= 4.9550 or \$5.00 (rounded to the nearest dollar).

Example 2

Employee's weekly earnings are \$880.47 and the number of children claimed at question 12 is three. Scale 6 is applied.

$$\begin{aligned}x &= 880.99 \\ \text{WFT} &= ([3,356 \times 3] + 36,541) \div 52 \\ &= 896.3269 \text{ or } \$896.33 \text{ (rounded to the nearest cent)}\end{aligned}$$

As x is greater than \$878 and less than WFT, WLA is calculated using formula (2):

$$\begin{aligned}\text{WLA} &= 880.99 \times 0.01 \\ &= 8.8099 \text{ or } \$9.00 \text{ (rounded to the nearest dollar)}.\end{aligned}$$

Example 3

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

$$\begin{aligned}x &= 982.99 \\ \text{WFT} &= ([3,356 \times 4] + 36,541) \div 52 \\ &= 960.8654 \text{ or } \$960.87 \text{ (rounded to the nearest cent)}.\end{aligned}$$

$$\begin{aligned}\text{SOP} &= (960.87 \times 0.1) \div 0.08 \\ &= 1,201.0875 \text{ or } \$1,201 \text{ (ignoring cents)}.\end{aligned}$$

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

$$\begin{aligned}\text{WLA} &= (960.87 \times 0.020) - ([982.99 - 960.87] \times 0.0800) \\ &= 17.4478 \text{ or } \$17.00 \text{ (rounded to the nearest dollar)}\end{aligned}$$

Fortnightly levy adjustment

Multiply rounded weekly levy adjustment by two.

Example

Employee's fortnightly earnings are \$1,595.52 and the number of children claimed at question 12 is one. Scale 2 is applied.

$$\begin{aligned}\text{Equivalent weekly earnings} &= \$1,595.52 \div 2 \\ &= \$797.76\end{aligned}$$

$$x = 797.99$$

$$\begin{aligned}\text{WFT} &= ([3,356 \times 1] + 36,541) \div 52 \\ &= 767.2500 \text{ or } \$767.25 \text{ (rounded to the nearest cent)}.\end{aligned}$$

$$\text{SOP} = (767.25 \times 0.1) \div 0.08$$

= 959.0625 or \$959 (ignoring cents).

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

$$\text{WLA} = (767.25 \times 0.020) - ([797.99 - 767.25] \times 0.0800)$$

= 12.8858 or \$13.00 (rounded to the nearest dollar).

The fortnightly levy adjustment is therefore \$26.00 (\$13.00 x 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.

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

= \$646.23

$$x = 646.99$$

$$\text{WFT} = \$702.71$$

As x is greater than \$520 and less than WFT, formula (2) applies:

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

The monthly adjustment is therefore \$56.00 (\$13.00 x 13 ÷ 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 \$1,103.45. 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.

$$x = 1,103.99$$

Weekly withholding amount (y)

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

$$= (0.3477 \times 1,103.99) - 165.4435$$

$$= 218.4138 \text{ or } \$218.00 \text{ (rounded to nearest dollar)}$$

Levy adjustment: weekly earnings are greater than WFT (\$1,025.40) and less than the SOP (\$1,281) appropriate to employee with five children. Formula (3) applies.

$$= (1,025.40 \times 0.0200) - ([1,103.99 - 1,025.40] \times 0.0800)$$

$$= 20.5080 - 6.2872$$

$$= 14.2208 \text{ or } \$14.00 \text{ (rounded to nearest dollar)}$$

Net weekly withholding amount

$$\$218.00 - \$14.00 = \$204.00$$

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**)

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

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

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

Fortnightly withholding amount

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

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

$$= 3.8\% \text{ of } \$1,645$$

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

Net fortnightly withholding amount

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

Example 3

Employee's monthly earnings are \$4,160.33. 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 \$959 appropriate to an employee with one child.

Therefore, scale 2 is applied.

Convert to weekly equivalent

$$= (\$4,160.33 + 0.01) \times 3 \div 13$$

$$= 960.0785 \text{ or } \$960 \text{ (ignore cents)}$$

$$x = 960.99$$

Weekly withholding amount (**y**)

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

$$= (0.3477 \times 960.99) - 165.4435$$

$$= 168.6927 \text{ or } \$169.00 \text{ (rounded to nearest dollar)}$$

Monthly withholding amount

$$\$169.00 \times 13 \div 3 = \$732.00 \text{ (rounded to nearest dollar)}$$

Tax offset claimed

$$= 8.3\% \text{ of } \$1,365$$

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

Net monthly withholding amount

$$\$732.00 - \$113.00 = \$619.00$$

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](#) can be expressed in a mathematical form, using the formulas and coefficients provided.

To work out withholding amounts using the formulas:

1. Multiply earnings (ignoring any cents) by five to work out the weekly equivalent. Add 99 cents to the result.
2. 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.

3. Round the result to the nearest dollar.
4. Divide this amount by five to convert it to the daily equivalent.
5. 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.

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 sums of 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 \$
65	12.00	0.00	21.00	0.00	0.00
66	13.00	0.00	21.00	0.00	0.00
116	24.00	0.00	38.00	0.00	0.00
117	25.00	0.00	38.00	0.00	0.00
249	56.00	0.00	81.00	0.00	0.00
250	56.00	0.00	81.00	0.00	0.00
354	80.00	0.00	115.00	0.00	0.00
355	80.00	0.00	115.00	0.00	0.00
360	81.00	1.00	117.00	1.00	1.00
361	82.00	1.00	117.00	1.00	1.00
415	101.00	12.00	135.00	12.00	12.00
416	101.00	12.00	135.00	12.00	12.00
519	137.00	42.00	169.00	31.00	31.00

520	137.00	42.00	169.00	32.00	32.00
701	200.00	80.00	228.00	66.00	66.00
702	200.00	80.00	228.00	66.00	66.00
710	203.00	82.00	231.00	68.00	68.00
711	203.00	82.00	231.00	68.00	68.00
877	261.00	140.00	285.00	122.00	131.00
878	262.00	140.00	285.00	123.00	131.00
931	280.00	159.00	303.00	140.00	149.00
932	280.00	159.00	303.00	140.00	150.00
1281	401.00	280.00	416.00	255.00	267.00
1282	401.00	281.00	417.00	255.00	268.00
1322	415.00	294.00	430.00	268.00	281.00
1323	415.00	295.00	430.00	268.00	282.00
1672	551.00	415.00	543.00	382.00	398.00
1673	552.00	416.00	544.00	382.00	399.00
1844	618.00	482.00	607.00	445.00	464.00
1845	619.00	483.00	608.00	446.00	464.00
2119	726.00	590.00	709.00	547.00	568.00
2120	726.00	590.00	709.00	547.00	569.00
2490	870.00	734.00	846.00	684.00	709.00
2491	871.00	735.00	847.00	685.00	710.00
2652	934.00	797.00	906.00	744.00	771.00
2653	934.00	798.00	907.00	745.00	771.00
2736	966.00	830.00	937.00	775.00	803.00
2737	967.00	831.00	938.00	776.00	803.00
2898	1029.00	893.00	997.00	835.00	864.00
2899	1030.00	894.00	998.00	836.00	865.00
2913	1035.00	899.00	1003.00	841.00	870.00
2914	1036.00	900.00	1003.00	841.00	870.00
3110	1112.00	976.00	1076.00	914.00	945.00

3111	1113.00	976.00	1076.00	914.00	945.00
3460	1277.00	1113.00	1205.00	1043.00	1078.00
3461	1277.00	1113.00	1206.00	1044.00	1078.00

Fortnightly withholding amounts

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 \$
130	24.00	0.00	42.00	0.00	0.00
132	26.00	0.00	42.00	0.00	0.00
232	48.00	0.00	76.00	0.00	0.00
234	50.00	0.00	76.00	0.00	0.00
498	112.00	0.00	162.00	0.00	0.00
500	112.00	0.00	162.00	0.00	0.00
708	160.00	0.00	230.00	0.00	0.00
710	160.00	0.00	230.00	0.00	0.00
720	162.00	2.00	234.00	2.00	2.00
722	164.00	2.00	234.00	2.00	2.00
830	202.00	24.00	270.00	24.00	24.00
832	202.00	24.00	270.00	24.00	24.00
1038	274.00	84.00	338.00	62.00	62.00
1040	274.00	84.00	338.00	64.00	64.00
1402	400.00	160.00	456.00	132.00	132.00
1404	400.00	160.00	456.00	132.00	132.00
1420	406.00	164.00	462.00	136.00	136.00
1422	406.00	164.00	462.00	136.00	136.00
1754	522.00	280.00	570.00	244.00	262.00
1756	524.00	280.00	570.00	246.00	262.00
1862	560.00	318.00	606.00	280.00	298.00
1864	560.00	318.00	606.00	280.00	300.00

2562	802.00	560.00	832.00	510.00	534.00
2564	802.00	562.00	834.00	510.00	536.00
2644	830.00	588.00	860.00	536.00	562.00
2646	830.00	590.00	860.00	536.00	564.00
3344	1102.00	830.00	1086.00	764.00	796.00
3346	1104.00	832.00	1088.00	764.00	798.00
3688	1236.00	964.00	1214.00	890.00	928.00
3690	1238.00	966.00	1216.00	892.00	928.00
4238	1452.00	1180.00	1418.00	1094.00	1136.00
4240	1452.00	1180.00	1418.00	1094.00	1138.00
4980	1740.00	1468.00	1692.00	1368.00	1418.00
4982	1742.00	1470.00	1694.00	1370.00	1420.00
5304	1868.00	1594.00	1812.00	1488.00	1542.00
5306	1868.00	1596.00	1814.00	1490.00	1542.00
5472	1932.00	1660.00	1874.00	1550.00	1606.00
5474	1934.00	1662.00	1876.00	1552.00	1606.00
5796	2058.00	1786.00	1994.00	1670.00	1728.00
5798	2060.00	1788.00	1996.00	1672.00	1730.00
5826	2070.00	1798.00	2006.00	1682.00	1740.00
5828	2072.00	1800.00	2006.00	1682.00	1740.00
6220	2224.00	1952.00	2152.00	1828.00	1890.00
6222	2226.00	1952.00	2152.00	1828.00	1890.00
6920	2554.00	2226.00	2410.00	2086.00	2156.00
6922	2554.00	2226.00	2412.00	2088.00	2156.00

Monthly withholding amounts

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 \$
281.67	52.00	0.00	91.00	0.00	0.00

286.00	56.00	0.00	91.00	0.00	0.00
502.67	104.00	0.00	165.00	0.00	0.00
507.00	108.00	0.00	165.00	0.00	0.00
1079.00	243.00	0.00	351.00	0.00	0.00
1083.33	243.00	0.00	351.00	0.00	0.00
1534.00	347.00	0.00	498.00	0.00	0.00
1538.33	347.00	0.00	498.00	0.00	0.00
1560.00	351.00	4.00	507.00	4.00	4.00
1564.33	355.00	4.00	507.00	4.00	4.00
1798.33	438.00	52.00	585.00	52.00	52.00
1802.67	438.00	52.00	585.00	52.00	52.00
2249.00	594.00	182.00	732.00	134.00	134.00
2253.33	594.00	182.00	732.00	139.00	139.00
3037.67	867.00	347.00	988.00	286.00	286.00
3042.00	867.00	347.00	988.00	286.00	286.00
3076.67	880.00	355.00	1001.00	295.00	295.00
3081.00	880.00	355.00	1001.00	295.00	295.00
3800.33	1131.00	607.00	1235.00	529.00	568.00
3804.67	1135.00	607.00	1235.00	533.00	568.00
4034.33	1213.00	689.00	1313.00	607.00	646.00
4038.67	1213.00	689.00	1313.00	607.00	650.00
5551.00	1738.00	1213.00	1803.00	1105.00	1157.00
5555.33	1738.00	1218.00	1807.00	1105.00	1161.00
5728.67	1798.00	1274.00	1863.00	1161.00	1218.00
5733.00	1798.00	1278.00	1863.00	1161.00	1222.00
7245.33	2388.00	1798.00	2353.00	1655.00	1725.00
7249.67	2392.00	1803.00	2357.00	1655.00	1729.00
7990.67	2678.00	2089.00	2630.00	1928.00	2011.00
7995.00	2682.00	2093.00	2635.00	1933.00	2011.00
9182.33	3146.00	2557.00	3072.00	2370.00	2461.00

9186.67	3146.00	2557.00	3072.00	2370.00	2466.00
10790.00	3770.00	3181.00	3666.00	2964.00	3072.00
10794.33	3774.00	3185.00	3670.00	2968.00	3077.00
11492.00	4047.00	3454.00	3926.00	3224.00	3341.00
11496.33	4047.00	3458.00	3930.00	3228.00	3341.00
11856.00	4186.00	3597.00	4060.00	3358.00	3480.00
11860.33	4190.00	3601.00	4065.00	3363.00	3480.00
12558.00	4459.00	3870.00	4320.00	3618.00	3744.00
12562.33	4463.00	3874.00	4325.00	3623.00	3748.00
12623.00	4485.00	3896.00	4346.00	3644.00	3770.00
12627.33	4489.00	3900.00	4346.00	3644.00	3770.00
13476.67	4819.00	4229.00	4663.00	3961.00	4095.00
13481.00	4823.00	4229.00	4663.00	3961.00	4095.00
14993.33	5534.00	4823.00	5222.00	4520.00	4671.00
14997.67	5534.00	4823.00	5226.00	4524.00	4671.00

Sample data – Scale 2

Weekly Medicare levy adjustment

Adjustment amount

Weekly earnings \$	Spouse only \$	1 child \$	2 children \$	3 children \$	4 children \$	5 children \$
415	0.00	0.00	0.00	0.00	0.00	0.00
416	0.00	0.00	0.00	0.00	0.00	0.00
467	5.00	5.00	5.00	5.00	5.00	5.00
468	5.00	5.00	5.00	5.00	5.00	5.00
519	10.00	10.00	10.00	10.00	10.00	10.00
520	10.00	10.00	10.00	10.00	10.00	10.00
546	11.00	11.00	11.00	11.00	11.00	11.00
547	11.00	11.00	11.00	11.00	11.00	11.00
573	11.00	11.00	11.00	11.00	11.00	11.00

574	11.00	11.00	11.00	11.00	11.00	11.00
600	12.00	12.00	12.00	12.00	12.00	12.00
601	12.00	12.00	12.00	12.00	12.00	12.00
627	13.00	13.00	13.00	13.00	13.00	13.00
628	13.00	13.00	13.00	13.00	13.00	13.00
654	13.00	13.00	13.00	13.00	13.00	13.00
655	13.00	13.00	13.00	13.00	13.00	13.00
681	14.00	14.00	14.00	14.00	14.00	14.00
682	14.00	14.00	14.00	14.00	14.00	14.00
708	14.00	14.00	14.00	14.00	14.00	14.00
709	13.00	14.00	14.00	14.00	14.00	14.00
735	11.00	15.00	15.00	15.00	15.00	15.00
736	11.00	15.00	15.00	15.00	15.00	15.00
762	9.00	15.00	15.00	15.00	15.00	15.00
763	9.00	15.00	15.00	15.00	15.00	15.00
789	7.00	14.00	16.00	16.00	16.00	16.00
790	7.00	13.00	16.00	16.00	16.00	16.00
816	5.00	11.00	16.00	16.00	16.00	16.00
817	5.00	11.00	16.00	16.00	16.00	16.00
843	3.00	9.00	16.00	17.00	17.00	17.00
844	3.00	9.00	16.00	17.00	17.00	17.00
870	1.00	7.00	13.00	17.00	17.00	17.00
871	1.00	7.00	13.00	17.00	17.00	17.00
897	0.00	5.00	11.00	18.00	18.00	18.00
898	0.00	5.00	11.00	18.00	18.00	18.00
924	0.00	3.00	9.00	16.00	18.00	18.00
925	0.00	3.00	9.00	16.00	19.00	19.00
951	0.00	1.00	7.00	13.00	19.00	19.00
952	0.00	0.00	7.00	13.00	19.00	19.00
978	0.00	0.00	5.00	11.00	18.00	20.00

979	0.00	0.00	5.00	11.00	18.00	20.00
1005	0.00	0.00	3.00	9.00	16.00	20.00
1006	0.00	0.00	3.00	9.00	16.00	20.00
1032	0.00	0.00	1.00	7.00	13.00	20.00
1033	0.00	0.00	0.00	7.00	13.00	20.00
1200	0.00	0.00	0.00	0.00	0.00	6.00
1201	0.00	0.00	0.00	0.00	0.00	6.00
1280	0.00	0.00	0.00	0.00	0.00	0.00
1281	0.00	0.00	0.00	0.00	0.00	0.00

Fortnightly Medicare levy adjustment

Adjustment amount

Fortnightly earnings \$	Spouse only \$	1 child \$	2 children \$	3 children \$	4 children \$	5 children \$
830	0.00	0.00	0.00	0.00	0.00	0.00
832	0.00	0.00	0.00	0.00	0.00	0.00
934	10.00	10.00	10.00	10.00	10.00	10.00
936	10.00	10.00	10.00	10.00	10.00	10.00
1038	20.00	20.00	20.00	20.00	20.00	20.00
1040	20.00	20.00	20.00	20.00	20.00	20.00
1092	22.00	22.00	22.00	22.00	22.00	22.00
1094	22.00	22.00	22.00	22.00	22.00	22.00
1146	22.00	22.00	22.00	22.00	22.00	22.00
1148	22.00	22.00	22.00	22.00	22.00	22.00
1200	24.00	24.00	24.00	24.00	24.00	24.00
1202	24.00	24.00	24.00	24.00	24.00	24.00
1254	26.00	26.00	26.00	26.00	26.00	26.00
1256	26.00	26.00	26.00	26.00	26.00	26.00
1308	26.00	26.00	26.00	26.00	26.00	26.00
1310	26.00	26.00	26.00	26.00	26.00	26.00
1362	28.00	28.00	28.00	28.00	28.00	28.00

1364	28.00	28.00	28.00	28.00	28.00	28.00
1416	28.00	28.00	28.00	28.00	28.00	28.00
1418	26.00	28.00	28.00	28.00	28.00	28.00
1470	22.00	30.00	30.00	30.00	30.00	30.00
1472	22.00	30.00	30.00	30.00	30.00	30.00
1524	18.00	30.00	30.00	30.00	30.00	30.00
1526	18.00	30.00	30.00	30.00	30.00	30.00
1578	14.00	28.00	32.00	32.00	32.00	32.00
1580	14.00	26.00	32.00	32.00	32.00	32.00
1632	10.00	22.00	32.00	32.00	32.00	32.00
1634	10.00	22.00	32.00	32.00	32.00	32.00
1686	6.00	18.00	32.00	34.00	34.00	34.00
1688	6.00	18.00	32.00	34.00	34.00	34.00
1740	2.00	14.00	26.00	34.00	34.00	34.00
1742	2.00	14.00	26.00	34.00	34.00	34.00
1794	0.00	10.00	22.00	36.00	36.00	36.00
1796	0.00	10.00	22.00	36.00	36.00	36.00
1848	0.00	6.00	18.00	32.00	36.00	36.00
1850	0.00	6.00	18.00	32.00	38.00	38.00
1902	0.00	2.00	14.00	26.00	38.00	38.00
1904	0.00	0.00	14.00	26.00	38.00	38.00
1956	0.00	0.00	10.00	22.00	36.00	40.00
1958	0.00	0.00	10.00	22.00	36.00	40.00
2010	0.00	0.00	6.00	18.00	32.00	40.00
2012	0.00	0.00	6.00	18.00	32.00	40.00
2064	0.00	0.00	2.00	14.00	26.00	40.00
2066	0.00	0.00	0.00	14.00	26.00	40.00
2400	0.00	0.00	0.00	0.00	0.00	12.00
2402	0.00	0.00	0.00	0.00	0.00	12.00
2560	0.00	0.00	0.00	0.00	0.00	0.00

2562	0.00	0.00	0.00	0.00	0.00	0.00
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Monthly Medicare levy adjustment

Adjustment amount

Monthly earnings \$	Spouse only \$	1 child \$	2 children \$	3 children \$	4 children \$	5 children \$
1798.33	0.00	0.00	0.00	0.00	0.00	0.00
1802.67	0.00	0.00	0.00	0.00	0.00	0.00
2023.67	22.00	22.00	22.00	22.00	22.00	22.00
2028.00	22.00	22.00	22.00	22.00	22.00	22.00
2249.00	43.00	43.00	43.00	43.00	43.00	43.00
2253.33	43.00	43.00	43.00	43.00	43.00	43.00
2366.00	48.00	48.00	48.00	48.00	48.00	48.00
2370.33	48.00	48.00	48.00	48.00	48.00	48.00
2483.00	48.00	48.00	48.00	48.00	48.00	48.00
2487.33	48.00	48.00	48.00	48.00	48.00	48.00
2600.00	52.00	52.00	52.00	52.00	52.00	52.00
2604.33	52.00	52.00	52.00	52.00	52.00	52.00
2717.00	56.00	56.00	56.00	56.00	56.00	56.00
2721.33	56.00	56.00	56.00	56.00	56.00	56.00
2834.00	56.00	56.00	56.00	56.00	56.00	56.00
2838.33	56.00	56.00	56.00	56.00	56.00	56.00
2951.00	61.00	61.00	61.00	61.00	61.00	61.00
2955.33	61.00	61.00	61.00	61.00	61.00	61.00
3068.00	61.00	61.00	61.00	61.00	61.00	61.00
3072.33	56.00	61.00	61.00	61.00	61.00	61.00
3185.00	48.00	65.00	65.00	65.00	65.00	65.00
3189.33	48.00	65.00	65.00	65.00	65.00	65.00
3302.00	39.00	65.00	65.00	65.00	65.00	65.00
3306.33	39.00	65.00	65.00	65.00	65.00	65.00

3419.00	30.00	61.00	69.00	69.00	69.00	69.00
3423.33	30.00	56.00	69.00	69.00	69.00	69.00
3536.00	22.00	48.00	69.00	69.00	69.00	69.00
3540.33	22.00	48.00	69.00	69.00	69.00	69.00
3653.00	13.00	39.00	69.00	74.00	74.00	74.00
3657.33	13.00	39.00	69.00	74.00	74.00	74.00
3770.00	4.00	30.00	56.00	74.00	74.00	74.00
3774.33	4.00	30.00	56.00	74.00	74.00	74.00
3887.00	0.00	22.00	48.00	78.00	78.00	78.00
3891.33	0.00	22.00	48.00	78.00	78.00	78.00
4004.00	0.00	13.00	39.00	69.00	78.00	78.00
4008.33	0.00	13.00	39.00	69.00	82.00	82.00
4121.00	0.00	4.00	30.00	56.00	82.00	82.00
4125.33	0.00	0.00	30.00	56.00	82.00	82.00
4238.00	0.00	0.00	22.00	48.00	78.00	87.00
4242.33	0.00	0.00	22.00	48.00	78.00	87.00
4355.00	0.00	0.00	13.00	39.00	69.00	87.00
4359.33	0.00	0.00	13.00	39.00	69.00	87.00
4472.00	0.00	0.00	4.00	30.00	56.00	87.00
4476.33	0.00	0.00	0.00	30.00	56.00	87.00
5200.00	0.00	0.00	0.00	0.00	0.00	26.00
5204.33	0.00	0.00	0.00	0.00	0.00	26.00
5546.67	0.00	0.00	0.00	0.00	0.00	0.00
5551.00	0.00	0.00	0.00	0.00	0.00	0.00

Sample data – Scale 6

Weekly Medicare half-levy adjustment

Adjustment amount

Weekly earnings \$	1 child \$	2 children \$	3 children \$	4 children \$	5 children \$
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701	0.00	0.00	0.00	0.00	0.00
702	0.00	0.00	0.00	0.00	0.00
789	4.00	4.00	4.00	4.00	4.00
790	4.00	4.00	4.00	4.00	4.00
877	9.00	9.00	9.00	9.00	9.00
878	3.00	6.00	9.00	9.00	9.00
893	3.00	6.00	9.00	9.00	9.00
894	3.00	6.00	9.00	9.00	9.00
909	2.00	5.00	8.00	9.00	9.00
910	2.00	5.00	8.00	9.00	9.00
925	1.00	5.00	8.00	9.00	9.00
926	1.00	5.00	8.00	9.00	9.00
941	1.00	4.00	7.00	9.00	9.00
942	1.00	4.00	7.00	9.00	9.00
957	0.00	3.00	6.00	10.00	10.00
958	0.00	3.00	6.00	10.00	10.00
973	0.00	3.00	6.00	9.00	10.00
974	0.00	3.00	6.00	9.00	10.00
989	0.00	2.00	5.00	8.00	10.00
990	0.00	2.00	5.00	8.00	10.00
1005	0.00	1.00	5.00	8.00	10.00
1006	0.00	1.00	5.00	8.00	10.00
1021	0.00	1.00	4.00	7.00	10.00
1022	0.00	1.00	4.00	7.00	10.00
1037	0.00	0.00	3.00	7.00	10.00
1038	0.00	0.00	3.00	6.00	10.00
1053	0.00	0.00	3.00	6.00	9.00
1054	0.00	0.00	3.00	6.00	9.00
1069	0.00	0.00	2.00	5.00	8.00
1070	0.00	0.00	2.00	5.00	8.00

1085	0.00	0.00	1.00	5.00	8.00
1086	0.00	0.00	1.00	5.00	8.00
1101	0.00	0.00	1.00	4.00	7.00
1102	0.00	0.00	1.00	4.00	7.00
1117	0.00	0.00	0.00	3.00	7.00
1118	0.00	0.00	0.00	3.00	7.00
1133	0.00	0.00	0.00	3.00	6.00
1134	0.00	0.00	0.00	3.00	6.00
1149	0.00	0.00	0.00	2.00	5.00
1150	0.00	0.00	0.00	2.00	5.00
1165	0.00	0.00	0.00	1.00	5.00
1166	0.00	0.00	0.00	1.00	5.00
1181	0.00	0.00	0.00	1.00	4.00
1182	0.00	0.00	0.00	1.00	4.00
1200	0.00	0.00	0.00	0.00	3.00
1201	0.00	0.00	0.00	0.00	3.00
1280	0.00	0.00	0.00	0.00	0.00
1281	0.00	0.00	0.00	0.00	0.00

Fortnightly Medicare half-levy adjustment

Adjustment amount

Fortnightly earnings \$	1 child \$	2 children \$	3 children \$	4 children \$	5 children \$
1402	0.00	0.00	0.00	0.00	0.00
1404	0.00	0.00	0.00	0.00	0.00
1578	8.00	8.00	8.00	8.00	8.00
1580	8.00	8.00	8.00	8.00	8.00
1754	18.00	18.00	18.00	18.00	18.00
1756	6.00	12.00	18.00	18.00	18.00
1786	6.00	12.00	18.00	18.00	18.00
1788	6.00	12.00	18.00	18.00	18.00

1818	4.00	10.00	16.00	18.00	18.00
1820	4.00	10.00	16.00	18.00	18.00
1850	2.00	10.00	16.00	18.00	18.00
1852	2.00	10.00	16.00	18.00	18.00
1882	2.00	8.00	14.00	18.00	18.00
1884	2.00	8.00	14.00	18.00	18.00
1914	0.00	6.00	12.00	20.00	20.00
1916	0.00	6.00	12.00	20.00	20.00
1946	0.00	6.00	12.00	18.00	20.00
1948	0.00	6.00	12.00	18.00	20.00
1978	0.00	4.00	10.00	16.00	20.00
1980	0.00	4.00	10.00	16.00	20.00
2010	0.00	2.00	10.00	16.00	20.00
2012	0.00	2.00	10.00	16.00	20.00
2042	0.00	2.00	8.00	14.00	20.00
2044	0.00	2.00	8.00	14.00	20.00
2074	0.00	0.00	6.00	14.00	20.00
2076	0.00	0.00	6.00	12.00	20.00
2106	0.00	0.00	6.00	12.00	18.00
2108	0.00	0.00	6.00	12.00	18.00
2138	0.00	0.00	4.00	10.00	16.00
2140	0.00	0.00	4.00	10.00	16.00
2170	0.00	0.00	2.00	10.00	16.00
2172	0.00	0.00	2.00	10.00	16.00
2202	0.00	0.00	2.00	8.00	14.00
2204	0.00	0.00	2.00	8.00	14.00
2234	0.00	0.00	0.00	6.00	14.00
2236	0.00	0.00	0.00	6.00	14.00
2266	0.00	0.00	0.00	6.00	12.00
2268	0.00	0.00	0.00	6.00	12.00

2298	0.00	0.00	0.00	4.00	10.00
2300	0.00	0.00	0.00	4.00	10.00
2330	0.00	0.00	0.00	2.00	10.00
2332	0.00	0.00	0.00	2.00	10.00
2362	0.00	0.00	0.00	2.00	8.00
2364	0.00	0.00	0.00	2.00	8.00
2400	0.00	0.00	0.00	0.00	6.00
2402	0.00	0.00	0.00	0.00	6.00
2560	0.00	0.00	0.00	0.00	0.00
2562	0.00	0.00	0.00	0.00	0.00

Monthly Medicare half-levy adjustment

Adjustment amount

Monthly earnings \$	1 child \$	2 children \$	3 children \$	4 children \$	5 children \$
3037.67	0.00	0.00	0.00	0.00	0.00
3042.00	0.00	0.00	0.00	0.00	0.00
3419.00	17.00	17.00	17.00	17.00	17.00
3423.33	17.00	17.00	17.00	17.00	17.00
3800.33	39.00	39.00	39.00	39.00	39.00
3804.67	13.00	26.00	39.00	39.00	39.00
3869.67	13.00	26.00	39.00	39.00	39.00
3874.00	13.00	26.00	39.00	39.00	39.00
3939.00	9.00	22.00	35.00	39.00	39.00
3943.33	9.00	22.00	35.00	39.00	39.00
4008.33	4.00	22.00	35.00	39.00	39.00
4012.67	4.00	22.00	35.00	39.00	39.00
4077.67	4.00	17.00	30.00	39.00	39.00
4082.00	4.00	17.00	30.00	39.00	39.00
4147.00	0.00	13.00	26.00	43.00	43.00
4151.33	0.00	13.00	26.00	43.00	43.00

4216.33	0.00	13.00	26.00	39.00	43.00
4220.67	0.00	13.00	26.00	39.00	43.00
4285.67	0.00	9.00	22.00	35.00	43.00
4290.00	0.00	9.00	22.00	35.00	43.00
4355.00	0.00	4.00	22.00	35.00	43.00
4359.33	0.00	4.00	22.00	35.00	43.00
4424.33	0.00	4.00	17.00	30.00	43.00
4428.67	0.00	4.00	17.00	30.00	43.00
4493.67	0.00	0.00	13.00	30.00	43.00
4498.00	0.00	0.00	13.00	26.00	43.00
4563.00	0.00	0.00	13.00	26.00	39.00
4567.33	0.00	0.00	13.00	26.00	39.00
4632.33	0.00	0.00	9.00	22.00	35.00
4636.67	0.00	0.00	9.00	22.00	35.00
4701.67	0.00	0.00	4.00	22.00	35.00
4706.00	0.00	0.00	4.00	22.00	35.00
4771.00	0.00	0.00	4.00	17.00	30.00
4775.33	0.00	0.00	4.00	17.00	30.00
4840.33	0.00	0.00	0.00	13.00	30.00
4844.67	0.00	0.00	0.00	13.00	30.00
4909.67	0.00	0.00	0.00	13.00	26.00
4914.00	0.00	0.00	0.00	13.00	26.00
4979.00	0.00	0.00	0.00	9.00	22.00
4983.33	0.00	0.00	0.00	9.00	22.00
5048.33	0.00	0.00	0.00	4.00	22.00
5052.67	0.00	0.00	0.00	4.00	22.00
5117.67	0.00	0.00	0.00	4.00	17.00
5122.00	0.00	0.00	0.00	4.00	17.00
5200.00	0.00	0.00	0.00	0.00	13.00
5204.33	0.00	0.00	0.00	0.00	13.00

5546.67	0.00	0.00	0.00	0.00	0.00
5551.00	0.00	0.00	0.00	0.00	0.00

Other statements of formulas

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

- [Statement of formulas for calculating HELP, SSL, TSL and SFSS components](#)
- [Tax table for individuals employed in the horticultural or shearing industry](#)
- [Tax table for actors, variety artists and other entertainers](#)
- [Tax table for seniors and pensioners](#)
- [Tax table for working holiday makers.](#)

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 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 47% from any payment you make to a resident employee and 45% from a foreign resident employee, (ignoring any cents) if all of the following apply:

- they have not quoted their TFN
- they have not claimed an exemption from quoting their TFN
- they have not advised you that they have applied for a TFN or 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](#) 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 47% from any payment you make to a resident employee and 45% 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

- Student Start-up Loan (SSL) debts (includes ABSTUDY SSL 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. If your foreign resident employee has claimed a tax offset on the *Withholding declaration*, don't make any adjustments to the amount you withhold.

Withholding declarations

An employee may use a [Withholding declaration](#) 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, SSL, 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, SSL, TSL or Financial Supplement debt

If your employee has a HELP, SSL, 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*.

Next step:

To calculate additional withholding amounts for:

- HELP, SSL or TSL debts, refer to either
 - [HELP/SSL/TSL weekly tax table](#)
 - [HELP/SSL/TSL fortnightly tax table](#)
 - [HELP/SSL/TSL monthly tax table](#).
- Financial Supplement debts, refer to either
 - [SFSS weekly tax table](#).
 - [SFSS fortnightly tax table](#)
 - [SFSS monthly tax table](#)
- Statement of formulas, refer to
 - [Statement of formulas for calculating HELP, SSL, TSL and SFSS components](#)

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, SSL, TSL or Financial Supplement repayment for that year. The exemption from making a compulsory HELP, SSL, 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.

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

Leave loading

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

For more information, see [Withholding from leave payments 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](#).

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

Do not withhold any amount for HELP, SSL, 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 amount, 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 in certain situations), your employee must lodge a [Medicare levy variation declaration](#) with their *Tax file number declaration*.

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

Next step:

- [Medicare levy adjustment](#)

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

For payments made on or after 1 July 2017

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.

Next step:

- Use the Withholding look-up tool to quickly [work out the amount to withhold \(XLSX, 56KB\)](#).

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](#) 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.

See also:

- You can download a printable version of [Tax table for individuals employed in the horticultural or shearing industry](#) (NAT 1013, 518KB) 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 Worker Program](#)

If you employ individuals under a working holiday makers visa you must use the [Tax table for working holiday makers](#).

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 \(XLSX, 56KB\)](#).
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 \(XLSX, 56KB\)](#).

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 (\$108)
- 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 (\$103).

Resident employees

The standard rate of withholding of 13% applies if 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 \(XLSX, 56KB\)](#).

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 \(XLSX, 56KB\)](#).

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, you must withhold amounts using the figures shown in column 4 of the [Withholding look-up tool \(XLSX, 56KB\)](#).
- If they have not given you a valid TFN, you must withhold at 45% using the figures in column 5 of the [Withholding look-up tool \(XLSX, 56KB\)](#).

Foreign residents cannot claim tax offsets to reduce withholding. If your foreign resident employee has claimed a tax offset on the *Withholding declaration*, don't 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	0.47	0.45

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 \(XLSX, 56KB\)](#). 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](#) 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 47% from any payment you make to a resident employee and 45% from a foreign resident employee (ignoring any cents), if all of the following apply:

- they have not quoted their TFN
- they have not claimed an exemption from quoting their TFN
- they have not advised you that they have applied for a TFN or 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](#) 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 47% from any payment you make to a resident employee and 45% 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
- Student Start-up Loan (SSL) debts (includes ABSTUDY SSL 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.

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

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

For payments made on or after 1 July 2017

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.

See also:

- Use the Withholding look-up tool to quickly [work out the amount to withhold \(XLSX, 56KB\)](#).

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.

For more information, refer to [Performing artists contracted to perform promotional activity](#).

Next step:

- You can download a printable version of the [Tax table for actors, variety artists and other entertainers \(PDF, 322KB\)](#) (NAT 1023) 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.

For more information, refer to [Foreign resident entertainment, sports, construction and casino gaming 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 this tax table, you must:

1. Ignore any cents, input the employee's daily earnings into the [Withholding look-up tool \(XLSX, 56KB\)](#) 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 \(XLSX, 56KB\)](#) 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 ($\$500 \div 52 \div 3$ 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](#).

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

Coefficients where tax-free threshold claimed

Weekly earnings (x) less than	a	b
\$443	0	0
\$520	0.1520	67.4635
\$650	0.2320	109.1077
\$889	0.1680	67.4646
\$1,602	0.2782	165.4435

\$2,091	0.2760	161.9819
\$4,326	0.3120	237.2704
\$4,326 & over	0.3760	514.1935

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

Coefficients where tax-free threshold not claimed

Weekly earnings (x) less than	a	b
\$83	0.1520	0.1520
\$451	0.1870	2.9035
\$1,165	0.2782	44.1189
\$1,653	0.2760	41.6024
\$3,889	0.3120	101.1408
\$3,889 & over	0.3760	350.0639

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.

4. $\$500 \times 2 = \$1,000$. Add 99 cents to the result = \$1,000.99.
5. $\$1,000.99 \times 0.2782 - 165.4435 = \113.0319 . Round to the nearest dollar = \$113.
6. $\$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 \(XLSX, 56KB\)](#). 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 47% from any payment you make to a resident employee and 45% from a foreign resident employee (ignoring any cents), if all of the following apply:

- they have not quoted their TFN
- they have not claimed an exemption from quoting their TFN
- they have not advised you that they have applied for a TFN or 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](#) 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 47% from any payment you make to a resident employee and 45% 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
- Student Start-up Loan (SSL) debts (includes ABSTUDY SSL 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](#).

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](#) 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, SSL, 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 45% 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 tax rates

Weekly earnings \$	Weekly rate
0 to 1,672	32.5 cents for each dollar of earnings

1,673 to 3,460	\$543 plus 37 cents for each \$1 of earnings over \$1,672
3,461 and over	\$1,204 plus 45 cents for each \$1 of earnings over \$3,460

Foreign residents cannot claim tax offsets to reduce withholding. If your foreign resident employee has claimed a tax offset on the *Withholding declaration*, don't make any adjustments to the amount you withhold.

Schedule 4 – Tax table for return to work payments

For payments made on or after 1 July 2017

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 12-50 of Schedule 1 to the TAA.

Using this table

You should use this table if you pay an individual to resume working for, or providing services to, you or any other entity.

We have a calculator to 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](#).

Working out the withholding amount

To work out the amount you need to withhold, multiply the amount of the return to work payment by 34.5% (32.5% + 2.0% Medicare levy).

Example

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

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

The total amount IT Services Pty Ltd must withhold from the return to work payment is $34.5\% \times \$18,000 = \$6,210$.

Rounding of withholding amounts

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

Tax file number 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 payments made after you receive the declaration. If you receive an updated declaration from an employee, it will override the previous one.

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

When a TFN has not been provided

You must withhold 47% from any payment you make to a resident employee and 45% from a foreign resident employee (ignoring any cents) if all of the following apply:

- they have not quoted their tax file number (TFN)
- they have not claimed an exemption from quoting their TFN
- they have not advised you that they have applied for a TFN or made an enquiry with us.

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

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

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

For payments made on or after 1 July 2017

Withholding limit

There is a withholding limit of 47% 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 when 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 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](#) 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 47% from any payment you make to a resident employee and 45% from a foreign resident employee (ignoring any cents), if all of the following apply:

- they have not quoted their TFN
- they have not claimed an exemption from quoting their TFN
- they have not advised you that they have applied for a TFN or 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](#) 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 47% from any payment you make to a resident employee and 45% 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
- Student Start-up Loan (SSL) debts (includes ABSTUDY SSL 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), Student Start-up Loan (SSL), Trade Support Loan (TSL) or Financial Supplement debt, see [HELP, SSL, 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 47% of the additional payment. If the withholding amount calculated (including a HELP, SSL, TSL or Financial Supplement component) using [Method A](#) or [Method B\(ii\)](#) exceeds 47% of the additional payment being made, then the amount is reduced to be equal to 47% 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, SSL, 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: [Variations](#)
- For employees: [Varying your PAYG withholding](#).

For more information about HELP, SSL, TSL and Financial Supplement repayment thresholds, see [HELP, SSL, 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.

Method A instructions

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 47%.
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.

Method B(i) instructions

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 ¹ 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).

¹ 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.

Method B(ii) instructions

Step	Instruction
1	Calculate the average total earnings ² 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 47%.
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).

² 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, SSL, TSL, SFSS and additional payments

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

You calculate the amounts you need to withhold from additional payments for HELP, SSL, 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, SSL, TSL and SFSS purposes.

How do you calculate withholding on the additional payment if it is calculated separately to the HELP, SSL, 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, SSL, 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.

Next step:

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

[Statement of formulas for calculating HELP, SSL, TSL and SFSS components](#)

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, 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.

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](#) 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](#) for super income stream payments
- [PAYG payment summary – foreign employment](#) for payments related to a previous period of assessable foreign service.

For more information about payment summaries, refer to [PAYG payment summaries: forms 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'.

Other amounts accrued before the current financial year

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.

³ 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 × 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 47%. = \$900 × 47%	\$423
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	-
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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:

- [HELP/SSL/TSL weekly tax table](#) (NAT 2173) effective from 1 July 2017
- [Statement of formulas for calculating the amount to be withheld](#) (NAT 1004) effective from 1 July 2017 – 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	\$272

	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 $8 \times \$34$.	
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

a. Step	b. Instruction	c. 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 $8 \times \$44$.	\$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:

- [HELP/SSL/TSL weekly tax table](#) (NAT 2173) effective from 1 July 2017
- [Statement of formulas for calculating the amount to be withheld](#) (NAT 1004) effective from 1 July 2017 – 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 2015, 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 2017. 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:

Example 3 Method B(ii) instruction

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. = $\$32 \times 26$	\$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	Multiply the additional payment being made in the current pay period by 47%. = $\$2,480 \times 47\%$	\$1,165
10	Use the lesser amount of step 8 and step 9 for the withholding on the additional payment. Ignore any cents. = \$832. This amount is used as it's less than step 9.	\$832
11	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
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). = $\$832 + \296	\$1,128

Example 3 uses [Statement of formulas for calculating the amount to be withheld](#) (NAT 1004) effective from 1 July 2017. 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 2017, 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 2016 and paid at the end of September 2017.

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 2017) = \$1,600
- a prior financial year (11 pay periods from 1 August 2016 to 30 June 2017) = \$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	\$800

	\$1,600 over two pay periods. = \$1,600 / 2	
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.	\$113
4	Subtract the amount previously withheld for the period from the amount at step 3. = \$113 – \$95	\$18
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 × \$18.	\$36
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.	\$113
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 – \$113	\$78
7	Multiply the amount in step 6 by the number of pay periods used in step 3. = \$78 × 12	\$936
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. = \$936 – \$0	\$936

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 47%. = \$8,800 × 47%	\$4,136
10	Use the lesser amount of step 8 (combined) and step 9 for the withholding on the additional payment. Ignore any cents. Combine the two step 8 results. = \$3,012 + \$936 = \$3,948 This amount is used as it's less than step 9.	\$3,948

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 = \$113

Method B(i) withholding

- PAYG withholding on additional payment for current financial year = \$556
- SFSS withholding on additional payment for current financial year = \$36

Method B(ii) withholding

- PAYG withholding on additional payment for prior financial year = \$3,012
- SFSS withholding on additional payment for prior financial year = \$936

Total PAYG withholding is \$5,884
(\$1,231 + \$113 + \$556 + \$36 + \$3,012 + \$936).

Example 4 uses both:

- [Student Financial Supplement Scheme \(SFSS\) monthly tax table](#) (NAT 3308) effective from 1 July 2017
- [Statement of formulas for calculating the amount to be withheld](#) (NAT 1004) effective from 1 July 2017 – 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 2017

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 was purchased with non-superannuation money, for example, an initial capital investment of personal cash.

For annuities purchased using money rolled over from a super fund or super income stream payments, refer to [Tax table for superannuation income streams](#).

Working out the withholding amount

To work out the withholding amount for an annuity payment purchased with non-superannuation money, you must:

1. Work out the amount of income to withhold from using the following formula:

Annuity payment - [Deductible amount / Number of instalments]

In this formula:

- **deductible amount** represents the amount of the annuity payment that is exempt from tax. This amount is calculated using the formula found in section 27H of the *Income Tax Assessment Act 1936*.
 - Where the annuity is held in only one person's name, the following formula is used: (Undeducted purchase price of the annuity - Residual capital value) / Term of annuity or life expectation factor
 - The undeducted purchase price is generally the amount of the initial capital investment.
 - Where the annuity is held or payable to 2 or more people, the deductible amount is apportioned depending on the amount each person received.
- **number of instalments** is the number of instalments of the annuity payable in the income year.

The recipient of the annuity may request the ATO to calculate the deductible amount of their annuity using [Request for determination of the deductible amount of UPP of an Australian pension or annuity](#).

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](#) indicating that they want to claim a SAPTO

entitlement through PAYG withholding, use the [Tax table for seniors and pensioners](#) 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 2017.

Example 1

Barbara has an annuity she purchased following the sale of a property. She receives annuity payments of \$1,000 a week. The deductible amount for the 2017–18 income year is \$5,200.

1. The amount of income to withhold tax from:
Annuity payment - [Deductible amount / Number of instalments]
= \$1,000 - [\$5,200 / 52]
= \$1,000 - \$100
= \$900
2. Barbara is not eligible for SAPTO so the payer will use the *Weekly tax table* (NAT 1005) to work out how much tax to withhold from \$900. Assuming Barbara is claiming the tax-free threshold, the amount of tax to be withheld is \$148.

Example 2

Kenneth will receive fortnightly annuity payments on the 7th and 21st day of the month from 7 February 2018. 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 in the next financial year.

Kenneth's deductible amount for a whole income year is \$2,400 but for the part of the current income year (2017-18) that he is to receive an annuity; his deductible amount is \$1,000 (for the period 7th February 2018 to 30 June 2018).

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

1. The amount of income to withhold tax from:
Annuity payment - [Deductible amount / Number of instalments]
= \$850 - [\$1,000 / 10]
= \$850 - \$100
= \$750
2. Kenneth is not eligible for SAPTO so the payer will then use the *Fortnightly tax table* (NAT 1006) to work out how much tax to withhold from \$750. Assuming Kenneth is claiming the tax-free threshold, the amount of tax 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.

Payment summaries

You must issue a [PAYG payment summary – individual non-business](#) to the payee by 14 July following the end of the financial year in which you made payments to them.

However, if your payee requests a payment summary from you during the financial year, you must provide it within 14 days of receiving their request.

Tax file number (TFN) declarations

The answers your payees 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 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 47% from any payment you make to a resident payee and 45% 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](#) 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 47% for any annuity payment you make to a resident payee and 45% for any annuity payment you make to a foreign resident payee (ignoring any cents) unless we tell you not to.

When a TFN has not been provided do not allow for tax offsets or Medicare levy adjustments. Do not withhold any amount for:

- Higher Education Loan Program (HELP) debts
- Student Start-up Loan (SSL) 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 2017

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.

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.

Withholding amounts for long service leave, annual leave and annual leave loading

Payment type	Reason	Accrual dates	Withholding rates	Payment summary label
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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
- Student Start-up Loan (SSL) debts (includes ABSTUDY SSL 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 2017.

Beth retires on 31 December 2017. 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

$$= \$3,690.00 \times 5\% = \$184.50$$

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

$$= \$7,700.00 \times 32\% = \$2,464.00$$

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.

Marginal rate calculation

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 ($\$74 \times 52$)	\$3,848

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

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 47% from the payment.

If your employee is a foreign resident who has not provided you with their TFN, you must withhold 45% 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 [Varying your PAYG withholding](#).

Tax file number declaration

Any [Tax file number declaration](#) 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 HELP, SSL, TSL and SFSS components

The coefficients in this schedule should be used together with the [Statement of formulas for calculating amounts to be withheld](#).

For payments made from 1 July 2017 to 30 June 2018

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

See also:

- Our [Tax withheld calculator](#) can help you work out the correct amount of tax to withhold from payments to most employees.
- You can download a printable version of [Statement of formulas for calculating HELP, SSL, TSL and SFSS components \(PDF, 464KB\)](#)

Using a formula

The withholding amounts for employees who have a HELP/SSL/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/SSL/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/SSL/TSL component rates

Tax-free threshold claimed or foreign resident

Weekly earnings – x \$	Component rate – a %
0 - 1,073.99	-
1,074.00 - 1,195.99	4.0
1,196.00 - 1,318.99	4.5
1,319.00 - 1,387.99	5.0
1,388.00 - 1,491.99	5.5
1,492.00 - 1,615.99	6.0
1,616.00 - 1,700.99	6.5
1,701.00 - 1,871.99	7.0
1,872.00 - 1,994.99	7.5
1,995.00 and over	8.0

No tax-free threshold claimed

Weekly earnings – x \$	Component rate – a %
0 - 723.99	-
724.00 - 845.99	4.0
846.00 - 968.99	4.5
969.00 - 1,037.99	5.0
1,038.00 - 1,141.99	5.5
1,142.00 - 1,265.99	6.0
1,266.00 - 1,350.99	6.5
1,351.00 - 1,521.99	7.0
1,522.00 - 1,644.99	7.5
1,645.00 and over	8.0

SFSS component rates

Tax-free threshold claimed or foreign resident

Weekly earnings – x \$	Component rate – a %
----------------------------------	--------------------------------

0 - 1,073.99	-
1,074.00 - 1,318.99	2.0
1,319.00 - 1,871.99	3.0
1,872.00 and over	4.0

No tax-free threshold claimed

Weekly earnings – x \$	Component rate – a %
0 - 723.99	-
724.00 - 968.99	2.0
969.00 - 1,521.99	3.0
1,522.00 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/SSL/TSL component

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

- answered **yes** to the question 'Do you have a Higher Education Loan Program (HELP), Student Start-up Loan (SSL) or Trade Support Loan (TSL) debt?'
- not completed a [Medicare levy variation declaration](#) 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:
 - \$1,074 or more if paid weekly
 - \$2,148 or more if paid fortnightly
 - \$4,654 or more if paid monthly
 - \$13,962 or more if paid quarterly.

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

- \$724 or more if paid weekly
- \$1,448 or more if paid fortnightly
- \$3,137.33 or more if paid monthly
- \$9,412 or more if paid quarterly.

You must withhold the HELP/SSL/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 \$1,095.84.
HELP/SSL/TSL component = $\$1,095.99 \times 4\% = \44.00 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/SSL/TSL component = $\$1,177.99 \times 4\% = \47.00 rounded to the nearest dollar.
Fortnightly HELP/SSL/TSL component = $\$94.00$ ($\$47.00 \times 2$).
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
($\$5,488.45 \times 3/13$, ignoring cents and adding 99 cents).
Weekly HELP/SSL/TSL component = $\$1,266.99 \times 4.5\% = \57.00 rounded to the nearest dollar.
Monthly HELP/SSL/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](#) or [Withholding declaration](#) and has:

- answered **yes** to the question 'Do you have a Financial Supplement debt?'
- not completed a [Medicare levy variation declaration](#) 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:
 - \$1,074 or more if paid weekly
 - \$2,148 or more if paid fortnightly
 - \$4,654 or more if paid monthly
 - \$13,962 or more if paid quarterly.

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

- \$724 or more if paid weekly
- \$1,448 or more if paid fortnightly
- \$3,137.33 or more if paid monthly
- \$9,412 or more if paid quarterly.

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

Examples

4. 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.
5. 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 = $\$46.00$ ($\$23.00 \times 2$).
6. 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 2\% = \26.00 rounded to the nearest dollar.
Monthly SFSS component = $\$113.00$ ($\$26.00 \times 13/3$, rounded to the nearest dollar).

Do not withhold any amount for HELP/SSL/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 sums of 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/SSL/TSL component

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

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

For scales without the HELP/SSL/TSL component, refer to [Statement of formulas for calculating amounts to be withheld](#).

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

WITH HELP/SSL/TSL Debt

Weekly earnings	a	b
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(x) less than \$		
66	0.1900	0.1900
361	0.2337	2.9035
724	0.3477	44.1189
846	0.3877	44.1189
932	0.3927	44.1189
969	0.3900	41.6024
1038	0.3950	41.6024
1142	0.4000	41.6024
1266	0.4050	41.6024
1323	0.4100	41.6024
1351	0.4550	101.1408
1522	0.4600	101.1408
1645	0.4650	101.1408
3111	0.4700	101.1408
3111 & over	0.5500	350.0639

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

Weekly earnings (x) less than \$	a	b
355	-	-
416	0.1900	67.4635
520	0.2900	109.1077
711	0.2100	67.4646
1074	0.3477	165.4435
1196	0.3877	165.4435
1282	0.3927	165.4435
1319	0.3900	161.9819
1388	0.3950	161.9819
1492	0.4000	161.9819

1616	0.4050	161.9819
1673	0.4100	161.9819
1701	0.4550	237.2704
1872	0.4600	237.2704
1995	0.4650	237.2704
3461	0.4700	237.2704
3461 & over	0.5500	514.1935

Foreign residents – Scale 3

WITH HELP/SSL/TSL Debt

Weekly earnings (x) less than \$	a	b
1074	0.3250	0.3250
1196	0.3650	0.3250
1319	0.3700	0.3250
1388	0.3750	0.3250
1492	0.3800	0.3250
1616	0.3850	0.3250
1673	0.3900	0.3250
1701	0.4350	75.2885
1872	0.4400	75.2885
1995	0.4450	75.2885
3461	0.4500	75.2885
3461 & over	0.5300	352.2115

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

WITH HELP/SSL/TSL Debt

Weekly earnings (x) less than \$	a	b
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355	-	-
711	0.1900	67.4635
1074	0.3277	165.4423
1196	0.3677	165.4423
1282	0.3727	165.4423
1319	0.3700	161.9808
1388	0.3750	161.9808
1492	0.3800	161.9808
1616	0.3850	161.9808
1673	0.3900	161.9808
1701	0.4350	237.2692
1872	0.4400	237.2692
1995	0.4450	237.2692
3461	0.4500	237.2692
3461 & over	0.5300	514.1923

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

WITH HELP/SSL/TSL Debt

Weekly earnings (x) less than \$	a	b
355	-	-
702	0.1900	67.4635
711	0.2400	102.5990
878	0.3777	200.5779
1074	0.3377	165.4425
1196	0.3777	165.4425
1282	0.3827	165.4425
1319	0.3800	161.9810
1388	0.3850	161.9810

1492	0.3900	161.9810
1616	0.3950	161.9810
1673	0.4000	161.9810
1701	0.4450	237.2694
1872	0.4500	237.2694
1995	0.4550	237.2694
3461	0.4600	237.2694
3461 & over	0.5400	514.1925

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

Sample data

With tax-free threshold

Amounts to be withheld

Weekly earnings \$	Weekly HELP/SSL/TSL component \$	Fortnightly earnings \$	Fortnightly HELP/SSL/TSL component \$	Monthly earnings \$	Monthly HELP/SSL/TSL component \$
1074	43.00	2148	86.00	4654.00	186.00
1075	43.00	2150	86.00	4658.33	186.00
1195	48.00	2390	96.00	5178.33	208.00
1196	54.00	2392	108.00	5182.67	234.00
1197	54.00	2394	108.00	5187.00	234.00
1318	59.00	2636	118.00	5711.33	256.00
1319	66.00	2638	132.00	5715.67	286.00
1387	69.00	2774	138.00	6010.33	299.00
1388	76.00	2776	152.00	6014.67	329.00
1389	76.00	2778	152.00	6019.00	329.00
1491	82.00	2982	164.00	6461.00	355.00
1492	90.00	2984	180.00	6465.33	390.00
1493	90.00	2986	180.00	6469.67	390.00
1615	97.00	3230	194.00	6998.33	420.00

1616	105.00	3232	210.00	7002.67	455.00
1700	111.00	3400	222.00	7366.67	481.00
1701	119.00	3402	238.00	7371.00	516.00
1871	131.00	3742	262.00	8107.67	568.00
1872	140.00	3744	280.00	8112.00	607.00
1994	150.00	3988	300.00	8640.67	650.00
1995	160.00	3990	320.00	8645.00	693.00

Weekly withholding amounts including HELP/SSL/TSL 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 \$
65	12.00	-	21.00	-	-
66	13.00	-	21.00	-	-
116	24.00	-	38.00	-	-
117	25.00	-	38.00	-	-
249	56.00	-	81.00	-	-
250	56.00	-	81.00	-	-
354	80.00	-	115.00	-	-
355	80.00	-	115.00	-	-
360	81.00	1.00	117.00	1.00	1.00
361	82.00	1.00	117.00	1.00	1.00
415	101.00	12.00	135.00	12.00	12.00
416	101.00	12.00	135.00	12.00	12.00
519	137.00	42.00	169.00	31.00	31.00
520	137.00	42.00	169.00	32.00	32.00
701	200.00	80.00	228.00	66.00	66.00
702	200.00	80.00	228.00	66.00	66.00
710	203.00	82.00	231.00	68.00	68.00
711	203.00	82.00	231.00	68.00	68.00

723	208.00	86.00	235.00	72.00	73.00
724	237.00	87.00	235.00	72.00	73.00
845	284.00	129.00	275.00	112.00	119.00
846	288.00	129.00	275.00	112.00	119.00
878	301.00	140.00	285.00	123.00	131.00
879	301.00	141.00	286.00	123.00	132.00
931	322.00	159.00	303.00	140.00	149.00
932	322.00	159.00	303.00	140.00	150.00
968	336.00	171.00	315.00	152.00	162.00
969	342.00	172.00	315.00	152.00	162.00
1037	368.00	195.00	337.00	175.00	185.00
1038	374.00	196.00	337.00	175.00	185.00
1073	388.00	208.00	349.00	187.00	197.00
1074	388.00	251.00	392.00	230.00	241.00
1141	415.00	277.00	417.00	254.00	266.00
1142	421.00	278.00	417.00	255.00	266.00
1195	443.00	298.00	436.00	274.00	286.00
1196	443.00	305.00	443.00	281.00	293.00
1265	471.00	332.00	468.00	306.00	319.00
1266	478.00	332.00	468.00	307.00	319.00
1281	484.00	338.00	474.00	312.00	325.00
1282	484.00	338.00	474.00	313.00	326.00
1318	499.00	352.00	488.00	326.00	339.00
1319	500.00	359.00	495.00	333.00	346.00
1323	501.00	361.00	496.00	335.00	348.00
1350	514.00	372.00	506.00	345.00	358.00
1351	521.00	372.00	507.00	345.00	359.00
1387	537.00	386.00	520.00	359.00	372.00
1388	538.00	394.00	527.00	366.00	380.00
1390	539.00	394.00	528.00	367.00	381.00

1491	585.00	435.00	567.00	405.00	420.00
1492	586.00	443.00	574.00	413.00	428.00
1522	607.00	455.00	586.00	424.00	440.00
1615	650.00	492.00	622.00	460.00	476.00
1616	651.00	501.00	630.00	469.00	485.00
1644	664.00	512.00	641.00	480.00	496.00
1645	672.00	513.00	642.00	480.00	496.00
1672	685.00	524.00	652.00	490.00	507.00
1673	686.00	524.00	653.00	491.00	508.00
1700	698.00	537.00	665.00	503.00	520.00
1701	699.00	546.00	674.00	512.00	529.00
1844	766.00	611.00	737.00	575.00	593.00
1845	766.00	612.00	737.00	575.00	593.00
1871	779.00	624.00	748.00	586.00	605.00
1872	779.00	634.00	758.00	596.00	615.00
1994	837.00	690.00	812.00	651.00	670.00
1995	837.00	701.00	823.00	661.00	681.00
2119	895.00	759.00	879.00	717.00	738.00
2120	896.00	760.00	879.00	717.00	738.00
2490	1070.00	933.00	1046.00	884.00	909.00
2491	1070.00	934.00	1046.00	884.00	909.00
2652	1146.00	1010.00	1119.00	957.00	983.00
2653	1146.00	1010.00	1119.00	957.00	984.00
2736	1185.00	1049.00	1156.00	994.00	1022.00
2737	1186.00	1050.00	1157.00	995.00	1022.00
2898	1261.00	1125.00	1229.00	1067.00	1096.00
2899	1262.00	1126.00	1230.00	1068.00	1097.00
2913	1268.00	1132.00	1236.00	1074.00	1103.00
2914	1269.00	1133.00	1236.00	1074.00	1104.00
3110	1361.00	1225.00	1325.00	1163.00	1194.00

3111	1362.00	1225.00	1325.00	1163.00	1194.00
3461	1554.00	1390.00	1483.00	1321.00	1355.00

Fortnightly withholding amounts including HELP/SSL/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 \$
130	24.00	-	42.00	-	-
132	26.00	-	42.00	-	-
232	48.00	-	76.00	-	-
234	50.00	-	76.00	-	-
498	112.00	-	162.00	-	-
500	112.00	-	162.00	-	-
708	160.00	-	230.00	-	-
710	160.00	-	230.00	-	-
720	162.00	2.00	234.00	2.00	2.00
722	164.00	2.00	234.00	2.00	2.00
830	202.00	24.00	270.00	24.00	24.00
832	202.00	24.00	270.00	24.00	24.00
1038	274.00	84.00	338.00	62.00	62.00
1040	274.00	84.00	338.00	64.00	64.00
1402	400.00	160.00	456.00	132.00	132.00
1404	400.00	160.00	456.00	132.00	132.00
1420	406.00	164.00	462.00	136.00	136.00
1422	406.00	164.00	462.00	136.00	136.00
1446	416.00	172.00	470.00	144.00	146.00
1448	474.00	174.00	470.00	144.00	146.00
1690	568.00	258.00	550.00	224.00	238.00
1692	576.00	258.00	550.00	224.00	238.00

1756	602.00	280.00	570.00	246.00	262.00
1758	602.00	282.00	572.00	246.00	264.00
1862	644.00	318.00	606.00	280.00	298.00
1864	644.00	318.00	606.00	280.00	300.00
1936	672.00	342.00	630.00	304.00	324.00
1938	684.00	344.00	630.00	304.00	324.00
2074	736.00	390.00	674.00	350.00	370.00
2076	748.00	392.00	674.00	350.00	370.00
2146	776.00	416.00	698.00	374.00	394.00
2148	776.00	502.00	784.00	460.00	482.00
2282	830.00	554.00	834.00	508.00	532.00
2284	842.00	556.00	834.00	510.00	532.00
2390	886.00	596.00	872.00	548.00	572.00
2392	886.00	610.00	886.00	562.00	586.00
2530	942.00	664.00	936.00	612.00	638.00
2532	956.00	664.00	936.00	614.00	638.00
2562	968.00	676.00	948.00	624.00	650.00
2564	968.00	676.00	948.00	626.00	652.00
2636	998.00	704.00	976.00	652.00	678.00
2638	1000.00	718.00	990.00	666.00	692.00
2646	1002.00	722.00	992.00	670.00	696.00
2700	1028.00	744.00	1012.00	690.00	716.00
2702	1042.00	744.00	1014.00	690.00	718.00
2774	1074.00	772.00	1040.00	718.00	744.00
2776	1076.00	788.00	1054.00	732.00	760.00
2780	1078.00	788.00	1056.00	734.00	762.00
2982	1170.00	870.00	1134.00	810.00	840.00
2984	1172.00	886.00	1148.00	826.00	856.00
3044	1214.00	910.00	1172.00	848.00	880.00
3230	1300.00	984.00	1244.00	920.00	952.00

3232	1302.00	1002.00	1260.00	938.00	970.00
3288	1328.00	1024.00	1282.00	960.00	992.00
3290	1344.00	1026.00	1284.00	960.00	992.00
3344	1370.00	1048.00	1304.00	980.00	1014.00
3346	1372.00	1048.00	1306.00	982.00	1016.00
3400	1396.00	1074.00	1330.00	1006.00	1040.00
3402	1398.00	1092.00	1348.00	1024.00	1058.00
3688	1532.00	1222.00	1474.00	1150.00	1186.00
3690	1532.00	1224.00	1474.00	1150.00	1186.00
3742	1558.00	1248.00	1496.00	1172.00	1210.00
3744	1558.00	1268.00	1516.00	1192.00	1230.00
3988	1674.00	1380.00	1624.00	1302.00	1340.00
3990	1674.00	1402.00	1646.00	1322.00	1362.00
4238	1790.00	1518.00	1758.00	1434.00	1476.00
4240	1792.00	1520.00	1758.00	1434.00	1476.00
4980	2140.00	1866.00	2092.00	1768.00	1818.00
4982	2140.00	1868.00	2092.00	1768.00	1818.00
5304	2292.00	2020.00	2238.00	1914.00	1966.00
5306	2292.00	2020.00	2238.00	1914.00	1968.00
5472	2370.00	2098.00	2312.00	1988.00	2044.00
5474	2372.00	2100.00	2314.00	1990.00	2044.00
5796	2522.00	2250.00	2458.00	2134.00	2192.00
5798	2524.00	2252.00	2460.00	2136.00	2194.00
5826	2536.00	2264.00	2472.00	2148.00	2206.00
5828	2538.00	2266.00	2472.00	2148.00	2208.00
6220	2722.00	2450.00	2650.00	2326.00	2388.00
6222	2724.00	2450.00	2650.00	2326.00	2388.00
6922	3108.00	2780.00	2966.00	2642.00	2710.00

Monthly withholding amounts including HELP/SSL/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 \$
281.67	52.00	0.00	91.00	0.00	0.00
286.00	56.00	0.00	91.00	0.00	0.00
502.67	104.00	0.00	165.00	0.00	0.00
507.00	108.00	0.00	165.00	0.00	0.00
1079.00	243.00	0.00	351.00	0.00	0.00
1083.33	243.00	0.00	351.00	0.00	0.00
1534.00	347.00	0.00	498.00	0.00	0.00
1538.33	347.00	0.00	498.00	0.00	0.00
1560.00	351.00	4.00	507.00	4.00	4.00
1564.33	355.00	4.00	507.00	4.00	4.00
1798.33	438.00	52.00	585.00	52.00	52.00
1802.67	438.00	52.00	585.00	52.00	52.00
2249.00	594.00	182.00	732.00	134.00	134.00
2253.33	594.00	182.00	732.00	139.00	139.00
3037.67	867.00	347.00	988.00	286.00	286.00
3042.00	867.00	347.00	988.00	286.00	286.00
3076.67	880.00	355.00	1001.00	295.00	295.00
3081.00	880.00	355.00	1001.00	295.00	295.00
3133.00	901.00	373.00	1018.00	312.00	316.00
3137.33	1027.00	377.00	1018.00	312.00	316.00
3661.67	1231.00	559.00	1192.00	485.00	516.00
3666.00	1248.00	559.00	1192.00	485.00	516.00
3804.67	1304.00	607.00	1235.00	533.00	568.00
3809.00	1304.00	611.00	1239.00	533.00	572.00
4034.33	1395.00	689.00	1313.00	607.00	646.00
4038.67	1395.00	689.00	1313.00	607.00	650.00
4194.67	1456.00	741.00	1365.00	659.00	702.00

4199.00	1482.00	745.00	1365.00	659.00	702.00
4493.67	1595.00	845.00	1460.00	758.00	802.00
4498.00	1621.00	849.00	1460.00	758.00	802.00
4649.67	1681.00	901.00	1512.00	810.00	854.00
4654.00	1681.00	1088.00	1699.00	997.00	1044.00
4944.33	1798.00	1200.00	1807.00	1101.00	1153.00
4948.67	1824.00	1205.00	1807.00	1105.00	1153.00
5178.33	1920.00	1291.00	1889.00	1187.00	1239.00
5182.67	1920.00	1322.00	1920.00	1218.00	1270.00
5481.67	2041.00	1439.00	2028.00	1326.00	1382.00
5486.00	2071.00	1439.00	2028.00	1330.00	1382.00
5551.00	2097.00	1465.00	2054.00	1352.00	1408.00
5555.33	2097.00	1465.00	2054.00	1356.00	1413.00
5711.33	2162.00	1525.00	2115.00	1413.00	1469.00
5715.67	2167.00	1556.00	2145.00	1443.00	1499.00
5733.00	2171.00	1564.00	2149.00	1452.00	1508.00
5850.00	2227.00	1612.00	2193.00	1495.00	1551.00
5854.33	2258.00	1612.00	2197.00	1495.00	1556.00
6010.33	2327.00	1673.00	2253.00	1556.00	1612.00
6014.67	2331.00	1707.00	2284.00	1586.00	1647.00
6023.33	2336.00	1707.00	2288.00	1590.00	1651.00
6461.00	2535.00	1885.00	2457.00	1755.00	1820.00
6465.33	2539.00	1920.00	2487.00	1790.00	1855.00
6595.33	2630.00	1972.00	2539.00	1837.00	1907.00
6998.33	2817.00	2132.00	2695.00	1993.00	2063.00
7002.67	2821.00	2171.00	2730.00	2032.00	2102.00
7124.00	2877.00	2219.00	2778.00	2080.00	2149.00
7128.33	2912.00	2223.00	2782.00	2080.00	2149.00
7245.33	2968.00	2271.00	2825.00	2123.00	2197.00
7249.67	2973.00	2271.00	2830.00	2128.00	2201.00

7366.67	3025.00	2327.00	2882.00	2180.00	2253.00
7371.00	3029.00	2366.00	2921.00	2219.00	2292.00
7990.67	3319.00	2648.00	3194.00	2492.00	2570.00
7995.00	3319.00	2652.00	3194.00	2492.00	2570.00
8107.67	3376.00	2704.00	3241.00	2539.00	2622.00
8112.00	3376.00	2747.00	3285.00	2583.00	2665.00
8640.67	3627.00	2990.00	3519.00	2821.00	2903.00
8645.00	3627.00	3038.00	3566.00	2864.00	2951.00
9182.33	3878.00	3289.00	3809.00	3107.00	3198.00
9186.67	3883.00	3293.00	3809.00	3107.00	3198.00
10790.00	4637.00	4043.00	4533.00	3831.00	3939.00
10794.33	4637.00	4047.00	4533.00	3831.00	3939.00
11492.00	4966.00	4377.00	4849.00	4147.00	4260.00
11496.33	4966.00	4377.00	4849.00	4147.00	4264.00
11856.00	5135.00	4546.00	5009.00	4307.00	4429.00
11860.33	5139.00	4550.00	5014.00	4312.00	4429.00
12558.00	5464.00	4875.00	5326.00	4624.00	4749.00
12562.33	5469.00	4879.00	5330.00	4628.00	4754.00
12623.00	5495.00	4905.00	5356.00	4654.00	4780.00
12627.33	5499.00	4910.00	5356.00	4654.00	4784.00
13476.67	5898.00	5308.00	5742.00	5040.00	5174.00
13481.00	5902.00	5308.00	5742.00	5040.00	5174.00
14997.67	6734.00	6023.00	6426.00	5724.00	5872.00

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 will 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).

For scales without the SFSS component, refer to [Statement of formulas for calculating amounts to be withheld](#).

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

WITH FS Debt

Weekly earnings (x) less than \$	a	b
66	0.1900	0.1900
361	0.2337	2.9035
724	0.3477	44.1189
932	0.3677	44.1189
969	0.3650	41.6024
1323	0.3750	41.6024
1522	0.4200	101.1408
3111	0.4300	101.1408
3111 & over	0.5100	350.0639

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

WITH FS Debt

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

416	0.1900	67.4635
520	0.2900	109.1077
711	0.2100	67.4646
1074	0.3477	165.4435
1282	0.3677	165.4435
1319	0.3650	161.9819
1673	0.3750	161.9819
1872	0.4200	237.2704
3461	0.4300	237.2704
3461 & over	0.5100	514.1935

Foreign residents – Scale 3

WITH FS Debt

Weekly earnings (x) less than \$	a	b
1074	0.3250	0.3250
1319	0.3450	0.3250
1673	0.3550	0.3250
1872	0.4000	75.2885
3461	0.4100	75.2885
3461 & over	0.4900	352.2115

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

WITH FS Debt

Weekly earnings (x) less than \$	a	b
355	-	-
711	0.1900	67.4635
1074	0.3277	165.4423

1282	0.3477	165.4423
1319	0.3450	161.9808
1673	0.3550	161.9808
1872	0.4000	237.2692
3461	0.4100	237.2692
3461 & over	0.4900	514.1923

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

WITH FS Debt

Weekly earnings (x) less than \$	a	b
355	-	-
702	0.1900	67.4635
711	0.2400	102.5990
878	0.3777	200.5779
1074	0.3377	165.4425
1282	0.3577	165.4425
1319	0.3550	161.9810
1673	0.3650	161.9810
1872	0.4100	237.2694
3461	0.4200	237.2694
3461 & over	0.5000	514.1925

Withholding amounts including the SFSS component worked out using the coefficients may differ slightly from the sums of 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 \$
1074	21.00	2148	42.00	4654.00	91.00
1075	22.00	2150	44.00	4658.33	95.00
1156	23.00	2312	46.00	5009.33	100.00
1157	23.00	2314	46.00	5013.67	100.00
1236	25.00	2472	50.00	5356.00	108.00
1237	25.00	2474	50.00	5360.33	108.00
1318	26.00	2636	52.00	5711.33	113.00
1319	40.00	2638	80.00	5715.67	173.00
1320	40.00	2640	80.00	5720.00	173.00
1457	44.00	2914	88.00	6313.67	191.00
1458	44.00	2916	88.00	6318.00	191.00
1595	48.00	3190	96.00	6911.67	208.00
1596	48.00	3192	96.00	6916.00	208.00
1733	52.00	3466	104.00	7509.67	225.00
1734	52.00	3468	104.00	7514.00	225.00
1735	52.00	3470	104.00	7518.33	225.00
1871	56.00	3742	112.00	8107.67	243.00
1872	75.00	3744	150.00	8112.00	325.00
1873	75.00	3746	150.00	8116.33	325.00
1992	80.00	3984	160.00	8632.00	347.00
1993	80.00	3986	160.00	8636.33	347.00

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 \$
65	12.00	-	21.00	-	-

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 \$
66	13.00	-	21.00	-	-
116	24.00	-	38.00	-	-
117	25.00	-	38.00	-	-
249	56.00	-	81.00	-	-
250	56.00	-	81.00	-	-
354	80.00	-	115.00	-	-
355	80.00	-	115.00	-	-
360	81.00	1.00	117.00	1.00	1.00
361	82.00	1.00	117.00	1.00	1.00
415	101.00	12.00	135.00	12.00	12.00
416	101.00	12.00	135.00	12.00	12.00
519	137.00	42.00	169.00	31.00	31.00
520	137.00	42.00	169.00	32.00	32.00
701	200.00	80.00	228.00	66.00	66.00
702	200.00	80.00	228.00	66.00	66.00
710	203.00	82.00	231.00	68.00	68.00
711	203.00	82.00	231.00	68.00	68.00
723	208.00	86.00	235.00	72.00	73.00
724	222.00	87.00	235.00	72.00	73.00
877	279.00	140.00	285.00	122.00	131.00
878	279.00	140.00	285.00	123.00	131.00
931	299.00	159.00	303.00	140.00	149.00
932	299.00	159.00	303.00	140.00	150.00
968	312.00	171.00	315.00	152.00	162.00
969	322.00	172.00	315.00	152.00	162.00
1073	361.00	208.00	349.00	187.00	197.00
1074	362.00	230.00	371.00	208.00	219.00

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 \$
1281	439.00	306.00	442.00	280.00	293.00
1282	440.00	306.00	442.00	281.00	293.00
1318	453.00	319.00	455.00	293.00	306.00
1319	453.00	333.00	468.00	307.00	320.00
1322	455.00	334.00	469.00	308.00	321.00
1323	455.00	335.00	470.00	308.00	321.00
1521	538.00	409.00	540.00	378.00	394.00
1522	554.00	409.00	540.00	379.00	394.00
1672	618.00	465.00	594.00	432.00	449.00
1673	619.00	466.00	594.00	432.00	449.00
1844	692.00	538.00	663.00	501.00	519.00
1845	693.00	538.00	663.00	501.00	520.00
1871	704.00	549.00	674.00	512.00	530.00
1872	704.00	568.00	693.00	531.00	549.00
2119	810.00	674.00	794.00	632.00	653.00
2120	811.00	675.00	794.00	632.00	654.00
2490	970.00	834.00	946.00	784.00	809.00
2491	970.00	834.00	946.00	784.00	809.00
2652	1040.00	904.00	1012.00	850.00	877.00
2653	1040.00	904.00	1013.00	851.00	877.00
2736	1076.00	940.00	1047.00	885.00	912.00
2737	1076.00	940.00	1047.00	885.00	913.00
2898	1145.00	1009.00	1113.00	951.00	980.00
2899	1146.00	1010.00	1114.00	952.00	981.00
2913	1152.00	1016.00	1119.00	957.00	987.00
2914	1152.00	1016.00	1120.00	958.00	987.00
3110	1237.00	1100.00	1200.00	1038.00	1069.00

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 \$
3111	1237.00	1101.00	1201.00	1039.00	1070.00
3460	1415.00	1251.00	1344.00	1182.00	1216.00
3461	1416.00	1251.00	1344.00	1182.00	1217.00

Fortnightly withholding amounts including SFSS 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 \$
130	24.00	-	42.00	-	-
132	26.00	-	42.00	-	-
232	48.00	-	76.00	-	-
234	50.00	-	76.00	-	-
498	112.00	-	162.00	-	-
500	112.00	-	162.00	-	-
708	160.00	-	230.00	-	-
710	160.00	-	230.00	-	-
720	162.00	2.00	234.00	2.00	2.00
722	164.00	2.00	234.00	2.00	2.00
830	202.00	24.00	270.00	24.00	24.00
832	202.00	24.00	270.00	24.00	24.00
1038	274.00	84.00	338.00	62.00	62.00
1040	274.00	84.00	338.00	64.00	64.00
1402	400.00	160.00	456.00	132.00	132.00
1404	400.00	160.00	456.00	132.00	132.00
1420	406.00	164.00	462.00	136.00	136.00
1422	406.00	164.00	462.00	136.00	136.00
1446	416.00	172.00	470.00	144.00	146.00

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 \$
1448	444.00	174.00	470.00	144.00	146.00
1754	558.00	280.00	570.00	244.00	262.00
1756	558.00	280.00	570.00	246.00	262.00
1862	598.00	318.00	606.00	280.00	298.00
1864	598.00	318.00	606.00	280.00	300.00
1936	624.00	342.00	630.00	304.00	324.00
1938	644.00	344.00	630.00	304.00	324.00
2146	722.00	416.00	698.00	374.00	394.00
2148	724.00	460.00	742.00	416.00	438.00
2562	878.00	612.00	884.00	560.00	586.00
2564	880.00	612.00	884.00	562.00	586.00
2636	906.00	638.00	910.00	586.00	612.00
2638	906.00	666.00	936.00	614.00	640.00
2644	910.00	668.00	938.00	616.00	642.00
2646	910.00	670.00	940.00	616.00	642.00
3042	1076.00	818.00	1080.00	756.00	788.00
3044	1108.00	818.00	1080.00	758.00	788.00
3344	1236.00	930.00	1188.00	864.00	898.00
3346	1238.00	932.00	1188.00	864.00	898.00
3688	1384.00	1076.00	1326.00	1002.00	1038.00
3690	1386.00	1076.00	1326.00	1002.00	1040.00
3742	1408.00	1098.00	1348.00	1024.00	1060.00
3744	1408.00	1136.00	1386.00	1062.00	1098.00
4238	1620.00	1348.00	1588.00	1264.00	1306.00
4240	1622.00	1350.00	1588.00	1264.00	1308.00
4980	1940.00	1668.00	1892.00	1568.00	1618.00
4982	1940.00	1668.00	1892.00	1568.00	1618.00

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 \$
5304	2080.00	1808.00	2024.00	1700.00	1754.00
5306	2080.00	1808.00	2026.00	1702.00	1754.00
5472	2152.00	1880.00	2094.00	1770.00	1824.00
5474	2152.00	1880.00	2094.00	1770.00	1826.00
5796	2290.00	2018.00	2226.00	1902.00	1960.00
5798	2292.00	2020.00	2228.00	1904.00	1962.00
5826	2304.00	2032.00	2238.00	1914.00	1974.00
5828	2304.00	2032.00	2240.00	1916.00	1974.00
6220	2474.00	2200.00	2400.00	2076.00	2138.00
6222	2474.00	2202.00	2402.00	2078.00	2140.00
6920	2830.00	2502.00	2688.00	2364.00	2432.00
6922	2832.00	2502.00	2688.00	2364.00	2434.00

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 \$
281.67	52.00	-	91.00	-	-
286.00	56.00	-	91.00	-	-
502.67	104.00	-	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	347.00	-	498.00	-	-
1560.00	351.00	4.00	507.00	4.00	4.00
1564.33	355.00	4.00	507.00	4.00	4.00

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 \$
1798.33	438.00	52.00	585.00	52.00	52.00
1802.67	438.00	52.00	585.00	52.00	52.00
2249.00	594.00	182.00	732.00	134.00	134.00
2253.33	594.00	182.00	732.00	139.00	139.00
3037.67	867.00	347.00	988.00	286.00	286.00
3042.00	867.00	347.00	988.00	286.00	286.00
3076.67	880.00	355.00	1001.00	295.00	295.00
3081.00	880.00	355.00	1001.00	295.00	295.00
3133.00	901.00	373.00	1018.00	312.00	316.00
3137.33	962.00	377.00	1018.00	312.00	316.00
3800.33	1209.00	607.00	1235.00	529.00	568.00
3804.67	1209.00	607.00	1235.00	533.00	568.00
4034.33	1296.00	689.00	1313.00	607.00	646.00
4038.67	1296.00	689.00	1313.00	607.00	650.00
4194.67	1352.00	741.00	1365.00	659.00	702.00
4199.00	1395.00	745.00	1365.00	659.00	702.00
4649.67	1564.00	901.00	1512.00	810.00	854.00
4654.00	1569.00	997.00	1608.00	901.00	949.00
5551.00	1902.00	1326.00	1915.00	1213.00	1270.00
5555.33	1907.00	1326.00	1915.00	1218.00	1270.00
5711.33	1963.00	1382.00	1972.00	1270.00	1326.00
5715.67	1963.00	1443.00	2028.00	1330.00	1387.00
5728.67	1972.00	1447.00	2032.00	1335.00	1391.00
5733.00	1972.00	1452.00	2037.00	1335.00	1391.00
6591.00	2331.00	1772.00	2340.00	1638.00	1707.00
6595.33	2401.00	1772.00	2340.00	1642.00	1707.00
7245.33	2678.00	2015.00	2574.00	1872.00	1946.00

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 \$
7249.67	2682.00	2019.00	2574.00	1872.00	1946.00
7990.67	2999.00	2331.00	2873.00	2171.00	2249.00
7995.00	3003.00	2331.00	2873.00	2171.00	2253.00
8107.67	3051.00	2379.00	2921.00	2219.00	2297.00
8112.00	3051.00	2461.00	3003.00	2301.00	2379.00
9182.33	3510.00	2921.00	3441.00	2739.00	2830.00
9186.67	3514.00	2925.00	3441.00	2739.00	2834.00
10790.00	4203.00	3614.00	4099.00	3397.00	3506.00
10794.33	4203.00	3614.00	4099.00	3397.00	3506.00
11492.00	4507.00	3917.00	4385.00	3683.00	3800.00
11496.33	4507.00	3917.00	4390.00	3688.00	3800.00
11856.00	4663.00	4073.00	4537.00	3835.00	3952.00
11860.33	4663.00	4073.00	4537.00	3835.00	3956.00
12558.00	4962.00	4372.00	4823.00	4121.00	4247.00
12562.33	4966.00	4377.00	4827.00	4125.00	4251.00
12623.00	4992.00	4403.00	4849.00	4147.00	4277.00
12627.33	4992.00	4403.00	4853.00	4151.00	4277.00
13476.67	5360.00	4767.00	5200.00	4498.00	4632.00
13481.00	5360.00	4771.00	5204.00	4502.00	4637.00
14993.33	6132.00	5421.00	5824.00	5122.00	5269.00
14997.67	6136.00	5421.00	5824.00	5122.00	5274.00

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

Your employee's total withholding, including the HELP/SSL/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/SSL/TSL and Financial Supplement debt, you will need to set up two separate scales in your payroll system. One scale will need to incorporate the HELP/SSL/TSL and SFSS components and one will not – for example, name one ‘scale 2’ and the other ‘scale 22’.

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

For scales without HELP/SSL/TSL and SFSS components, refer to [Statement of formulas for calculating amounts to be withheld](#).

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

WITH HELP/SSL/TSL and FS Debt

Weekly earnings (x) less than \$	a	b
66	0.1900	0.1900
361	0.2337	2.9035
724	0.3477	44.1189
846	0.4077	44.1189
932	0.4127	44.1189
969	0.4100	41.6024
1038	0.4250	41.6024
1142	0.4300	41.6024
1266	0.4350	41.6024
1323	0.4400	41.6024
1351	0.4850	101.1408
1522	0.4900	101.1408
1645	0.5050	101.1408

3111	0.5100	101.1408
3111 & over	0.5900	350.0639

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

WITH HELP/SSL/TSL and FS Debt

Weekly earnings (x) less than \$	a	b
355	-	-
416	0.1900	67.4635
520	0.2900	109.1077
711	0.2100	67.4646
1074	0.3477	165.4435
1196	0.4077	165.4435
1282	0.4127	165.4435
1319	0.4100	161.9819
1388	0.4250	161.9819
1492	0.4300	161.9819
1616	0.4350	161.9819
1673	0.4400	161.9819
1701	0.4850	237.2704
1872	0.4900	237.2704
1995	0.5050	237.2704
3461	0.5100	237.2704
3461 & over	0.5900	514.1935

Foreign residents – Scale 3

WITH HELP/SSL/TSL and FS Debt

Weekly earnings (x) less than \$	a	b
1074	0.3250	0.3250

1196	0.3850	0.3250
1319	0.3900	0.3250
1388	0.4050	0.3250
1492	0.4100	0.3250
1616	0.4150	0.3250
1673	0.4200	0.3250
1701	0.4650	75.2885
1872	0.4700	75.2885
1995	0.4850	75.2885
3461	0.4900	75.2885
3461 & over	0.5700	352.2115

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

WITH HELP/SSL/TSL and FS Debt

Weekly earnings (x) less than \$	a	b
355	-	-
711	0.1900	67.4635
1074	0.3277	165.4423
1196	0.3877	165.4423
1282	0.3927	165.4423
1319	0.3900	161.9808
1388	0.4050	161.9808
1492	0.4100	161.9808
1616	0.4150	161.9808
1673	0.4200	161.9808
1701	0.4650	237.2692
1872	0.4700	237.2692
1995	0.4850	237.2692

3461	0.4900	237.2692
3461 & over	0.5700	514.1923

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

WITH HELP/SSL/TSL and FS Debt

Weekly earnings (x) less than \$	a	b
355	-	-
702	0.1900	67.4635
711	0.2400	102.5990
878	0.3777	200.5779
1074	0.3377	165.4425
1196	0.3977	165.4425
1282	0.4027	165.4425
1319	0.4000	161.9810
1388	0.4150	161.9810
1492	0.4200	161.9810
1616	0.4250	161.9810
1673	0.4300	161.9810
1701	0.4750	237.2694
1872	0.4800	237.2694
1995	0.4950	237.2694
3461	0.5000	237.2694
3461 & over	0.5800	514.1925

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

Sample data

Weekly withholding amounts including HELP/SSL/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 \$
65	12.00	-	21.00	-	-
66	13.00	-	21.00	-	-
116	24.00	-	38.00	-	-
117	25.00	-	38.00	-	-
249	56.00	-	81.00	-	-
250	56.00	-	81.00	-	-
354	80.00	-	115.00	-	-
355	80.00	-	115.00	-	-
360	81.00	1.00	117.00	1.00	1.00
361	82.00	1.00	117.00	1.00	1.00
415	101.00	12.00	135.00	12.00	12.00
416	101.00	12.00	135.00	12.00	12.00
519	137.00	42.00	169.00	31.00	31.00
520	137.00	42.00	169.00	32.00	32.00
701	200.00	80.00	228.00	66.00	66.00
702	200.00	80.00	228.00	66.00	66.00
710	203.00	82.00	231.00	68.00	68.00
711	203.00	82.00	231.00	68.00	68.00
723	208.00	86.00	235.00	72.00	73.00
724	251.00	87.00	235.00	72.00	73.00
845	301.00	129.00	275.00	112.00	119.00
846	305.00	129.00	275.00	112.00	119.00
878	319.00	140.00	285.00	123.00	131.00

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 \$
879	319.00	141.00	286.00	123.00	132.00
931	341.00	159.00	303.00	140.00	149.00
932	341.00	159.00	303.00	140.00	150.00
968	356.00	171.00	315.00	152.00	162.00
969	371.00	172.00	315.00	152.00	162.00
1037	400.00	195.00	337.00	175.00	185.00
1038	405.00	196.00	337.00	175.00	185.00
1073	420.00	208.00	349.00	187.00	197.00
1074	421.00	273.00	414.00	251.00	262.00
1141	449.00	300.00	439.00	277.00	289.00
1142	456.00	301.00	440.00	278.00	289.00
1195	479.00	322.00	460.00	298.00	310.00
1196	479.00	329.00	467.00	305.00	317.00
1265	509.00	357.00	493.00	332.00	344.00
1266	516.00	357.00	494.00	332.00	345.00
1281	522.00	364.00	500.00	338.00	351.00
1282	523.00	364.00	500.00	338.00	351.00
1318	539.00	379.00	514.00	352.00	366.00
1319	539.00	399.00	534.00	373.00	386.00
1323	541.00	401.00	536.00	374.00	387.00
1350	554.00	412.00	547.00	385.00	399.00
1351	561.00	413.00	547.00	386.00	399.00
1387	579.00	428.00	562.00	400.00	414.00
1388	579.00	435.00	569.00	408.00	421.00
1390	580.00	436.00	570.00	408.00	422.00
1491	630.00	480.00	611.00	450.00	465.00
1492	630.00	487.00	619.00	458.00	473.00

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 \$
1522	668.00	501.00	632.00	470.00	485.00
1615	715.00	541.00	670.00	509.00	525.00
1616	715.00	549.00	679.00	517.00	533.00
1644	730.00	562.00	691.00	529.00	545.00
1645	738.00	562.00	691.00	529.00	546.00
1672	752.00	574.00	702.00	541.00	557.00
1673	753.00	575.00	703.00	541.00	558.00
1700	766.00	588.00	716.00	554.00	571.00
1701	767.00	597.00	725.00	563.00	580.00
1844	840.00	667.00	792.00	630.00	648.00
1845	840.00	667.00	792.00	630.00	649.00
1871	854.00	680.00	805.00	643.00	661.00
1872	854.00	709.00	833.00	671.00	690.00
1994	916.00	770.00	892.00	730.00	750.00
1995	917.00	781.00	903.00	741.00	761.00
2119	980.00	844.00	964.00	802.00	823.00
2120	981.00	844.00	964.00	802.00	823.00
2490	1169.00	1033.00	1145.00	983.00	1008.00
2491	1170.00	1034.00	1146.00	984.00	1009.00
2652	1252.00	1116.00	1225.00	1063.00	1089.00
2653	1252.00	1116.00	1225.00	1063.00	1090.00
2736	1295.00	1159.00	1266.00	1104.00	1131.00
2737	1295.00	1159.00	1266.00	1104.00	1132.00
2898	1377.00	1241.00	1345.00	1183.00	1212.00
2899	1378.00	1242.00	1346.00	1184.00	1213.00
2913	1385.00	1249.00	1353.00	1191.00	1220.00
2914	1386.00	1249.00	1353.00	1191.00	1220.00

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 \$
3110	1485.00	1349.00	1449.00	1287.00	1318.00
3111	1486.00	1350.00	1450.00	1288.00	1319.00
3461	1693.00	1528.00	1621.00	1459.00	1494.00

Fortnightly withholding amounts including HELP/SSL/TSL and SFSS components

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 \$
130	24.00	-	42.00	-	-
132	26.00	-	42.00	-	-
232	48.00	-	76.00	-	-
234	50.00	-	76.00	-	-
498	112.00	-	162.00	-	-
500	112.00	-	162.00	-	-
708	160.00	-	230.00	-	-
710	160.00	-	230.00	-	-
720	162.00	2.00	234.00	2.00	2.00
722	164.00	2.00	234.00	2.00	2.00
830	202.00	24.00	270.00	24.00	24.00
832	202.00	24.00	270.00	24.00	24.00
1038	274.00	84.00	338.00	62.00	62.00
1040	274.00	84.00	338.00	64.00	64.00
1402	400.00	160.00	456.00	132.00	132.00
1404	400.00	160.00	456.00	132.00	132.00
1420	406.00	164.00	462.00	136.00	136.00
1422	406.00	164.00	462.00	136.00	136.00

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 \$
1446	416.00	172.00	470.00	144.00	146.00
1448	502.00	174.00	470.00	144.00	146.00
1690	602.00	258.00	550.00	224.00	238.00
1692	610.00	258.00	550.00	224.00	238.00
1756	638.00	280.00	570.00	246.00	262.00
1758	638.00	282.00	572.00	246.00	264.00
1862	682.00	318.00	606.00	280.00	298.00
1864	682.00	318.00	606.00	280.00	300.00
1936	712.00	342.00	630.00	304.00	324.00
1938	742.00	344.00	630.00	304.00	324.00
2074	800.00	390.00	674.00	350.00	370.00
2076	810.00	392.00	674.00	350.00	370.00
2146	840.00	416.00	698.00	374.00	394.00
2148	842.00	546.00	828.00	502.00	524.00
2282	898.00	600.00	878.00	554.00	578.00
2284	912.00	602.00	880.00	556.00	578.00
2390	958.00	644.00	920.00	596.00	620.00
2392	958.00	658.00	934.00	610.00	634.00
2530	1018.00	714.00	986.00	664.00	688.00
2532	1032.00	714.00	988.00	664.00	690.00
2562	1044.00	728.00	1000.00	676.00	702.00
2564	1046.00	728.00	1000.00	676.00	702.00
2636	1078.00	758.00	1028.00	704.00	732.00
2638	1078.00	798.00	1068.00	746.00	772.00
2646	1082.00	802.00	1072.00	748.00	774.00
2700	1108.00	824.00	1094.00	770.00	798.00
2702	1122.00	826.00	1094.00	772.00	798.00

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 \$
2774	1158.00	856.00	1124.00	800.00	828.00
2776	1158.00	870.00	1138.00	816.00	842.00
2780	1160.00	872.00	1140.00	816.00	844.00
2982	1260.00	960.00	1222.00	900.00	930.00
2984	1260.00	974.00	1238.00	916.00	946.00
3044	1336.00	1002.00	1264.00	940.00	970.00
3230	1430.00	1082.00	1340.00	1018.00	1050.00
3232	1430.00	1098.00	1358.00	1034.00	1066.00
3288	1460.00	1124.00	1382.00	1058.00	1090.00
3290	1476.00	1124.00	1382.00	1058.00	1092.00
3344	1504.00	1148.00	1404.00	1082.00	1114.00
3346	1506.00	1150.00	1406.00	1082.00	1116.00
3400	1532.00	1176.00	1432.00	1108.00	1142.00
3402	1534.00	1194.00	1450.00	1126.00	1160.00
3688	1680.00	1334.00	1584.00	1260.00	1296.00
3690	1680.00	1334.00	1584.00	1260.00	1298.00
3742	1708.00	1360.00	1610.00	1286.00	1322.00
3744	1708.00	1418.00	1666.00	1342.00	1380.00
3988	1832.00	1540.00	1784.00	1460.00	1500.00
3990	1834.00	1562.00	1806.00	1482.00	1522.00
4238	1960.00	1688.00	1928.00	1604.00	1646.00
4240	1962.00	1688.00	1928.00	1604.00	1646.00
4980	2338.00	2066.00	2290.00	1966.00	2016.00
4982	2340.00	2068.00	2292.00	1968.00	2018.00
5304	2504.00	2232.00	2450.00	2126.00	2178.00
5306	2504.00	2232.00	2450.00	2126.00	2180.00
5472	2590.00	2318.00	2532.00	2208.00	2262.00

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 \$
5474	2590.00	2318.00	2532.00	2208.00	2264.00
5796	2754.00	2482.00	2690.00	2366.00	2424.00
5798	2756.00	2484.00	2692.00	2368.00	2426.00
5826	2770.00	2498.00	2706.00	2382.00	2440.00
5828	2772.00	2498.00	2706.00	2382.00	2440.00
6220	2970.00	2698.00	2898.00	2574.00	2636.00
6222	2972.00	2700.00	2900.00	2576.00	2638.00
6922	3386.00	3056.00	3242.00	2918.00	2988.00

Monthly withholding amounts including HELP/SSL/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 \$
281.67	52.00	-	91.00	-	-
286.00	56.00	-	91.00	-	-
502.67	104.00	-	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	347.00	-	498.00	-	-
1560.00	351.00	4.00	507.00	4.00	4.00
1564.33	355.00	4.00	507.00	4.00	4.00
1798.33	438.00	52.00	585.00	52.00	52.00
1802.67	438.00	52.00	585.00	52.00	52.00
2249.00	594.00	182.00	732.00	134.00	134.00

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 \$
2253.33	594.00	182.00	732.00	139.00	139.00
3037.67	867.00	347.00	988.00	286.00	286.00
3042.00	867.00	347.00	988.00	286.00	286.00
3076.67	880.00	355.00	1001.00	295.00	295.00
3081.00	880.00	355.00	1001.00	295.00	295.00
3133.00	901.00	373.00	1018.00	312.00	316.00
3137.33	1088.00	377.00	1018.00	312.00	316.00
3661.67	1304.00	559.00	1192.00	485.00	516.00
3666.00	1322.00	559.00	1192.00	485.00	516.00
3804.67	1382.00	607.00	1235.00	533.00	568.00
3809.00	1382.00	611.00	1239.00	533.00	572.00
4034.33	1478.00	689.00	1313.00	607.00	646.00
4038.67	1478.00	689.00	1313.00	607.00	650.00
4194.67	1543.00	741.00	1365.00	659.00	702.00
4199.00	1608.00	745.00	1365.00	659.00	702.00
4493.67	1733.00	845.00	1460.00	758.00	802.00
4498.00	1755.00	849.00	1460.00	758.00	802.00
4649.67	1820.00	901.00	1512.00	810.00	854.00
4654.00	1824.00	1183.00	1794.00	1088.00	1135.00
4944.33	1946.00	1300.00	1902.00	1200.00	1252.00
4948.67	1976.00	1304.00	1907.00	1205.00	1252.00
5178.33	2076.00	1395.00	1993.00	1291.00	1343.00
5182.67	2076.00	1426.00	2024.00	1322.00	1374.00
5481.67	2206.00	1547.00	2136.00	1439.00	1491.00
5486.00	2236.00	1547.00	2141.00	1439.00	1495.00
5551.00	2262.00	1577.00	2167.00	1465.00	1521.00
5555.33	2266.00	1577.00	2167.00	1465.00	1521.00

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 \$
5711.33	2336.00	1642.00	2227.00	1525.00	1586.00
5715.67	2336.00	1729.00	2314.00	1616.00	1673.00
5733.00	2344.00	1738.00	2323.00	1621.00	1677.00
5850.00	2401.00	1785.00	2370.00	1668.00	1729.00
5854.33	2431.00	1790.00	2370.00	1673.00	1729.00
6010.33	2509.00	1855.00	2435.00	1733.00	1794.00
6014.67	2509.00	1885.00	2466.00	1768.00	1824.00
6023.33	2513.00	1889.00	2470.00	1768.00	1829.00
6461.00	2730.00	2080.00	2648.00	1950.00	2015.00
6465.33	2730.00	2110.00	2682.00	1985.00	2050.00
6595.33	2895.00	2171.00	2739.00	2037.00	2102.00
6998.33	3098.00	2344.00	2903.00	2206.00	2275.00
7002.67	3098.00	2379.00	2942.00	2240.00	2310.00
7124.00	3163.00	2435.00	2994.00	2292.00	2362.00
7128.33	3198.00	2435.00	2994.00	2292.00	2366.00
7245.33	3259.00	2487.00	3042.00	2344.00	2414.00
7249.67	3263.00	2492.00	3046.00	2344.00	2418.00
7366.67	3319.00	2548.00	3103.00	2401.00	2474.00
7371.00	3324.00	2587.00	3142.00	2440.00	2513.00
7990.67	3640.00	2890.00	3432.00	2730.00	2808.00
7995.00	3640.00	2890.00	3432.00	2730.00	2812.00
8107.67	3701.00	2947.00	3488.00	2786.00	2864.00
8112.00	3701.00	3072.00	3610.00	2908.00	2990.00
8640.67	3969.00	3337.00	3865.00	3163.00	3250.00
8645.00	3974.00	3384.00	3913.00	3211.00	3298.00
9182.33	4247.00	3657.00	4177.00	3475.00	3566.00
9186.67	4251.00	3657.00	4177.00	3475.00	3566.00

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 \$
10790.00	5066.00	4476.00	4962.00	4260.00	4368.00
10794.33	5070.00	4481.00	4966.00	4264.00	4372.00
11492.00	5425.00	4836.00	5308.00	4606.00	4719.00
11496.33	5425.00	4836.00	5308.00	4606.00	4723.00
11856.00	5612.00	5022.00	5486.00	4784.00	4901.00
11860.33	5612.00	5022.00	5486.00	4784.00	4905.00
12558.00	5967.00	5378.00	5828.00	5126.00	5252.00
12562.33	5971.00	5382.00	5833.00	5131.00	5256.00
12623.00	6002.00	5412.00	5863.00	5161.00	5287.00
12627.33	6006.00	5412.00	5863.00	5161.00	5287.00
13476.67	6435.00	5846.00	6279.00	5577.00	5711.00
13481.00	6439.00	5850.00	6283.00	5581.00	5716.00
14997.67	7336.00	6621.00	7024.00	6322.00	6474.00

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 2017

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.

See also:

- Use the Withholding look-up tool to quickly [work out the amount to withhold \(XLSX, 58KB\)](#).

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 2018, an employee must be born on or before 30 June 1953).
- 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](#) answering **yes** to questions 4, 5 and 8
- a [Withholding declaration – short version for seniors and pensioners](#) answering **yes** to questions 4, 5 and 6.

See also:

- You can download a printable version of [Tax table for seniors and pensioners \(PDF, 464KB\)](#) (NAT 4466) 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 \(XLSX, 58KB\)](#), 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 \(XLSX, 58KB\)](#).

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](#).

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 \(XLSX, 58KB\)](#). 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	0.0000	0.0000
\$620	0.1900	110.3481
\$658	0.3150	187.9418
\$711	0.4150	253.7957
\$823	0.5527	351.7745
\$963	0.4727	285.9207
\$1,282	0.3477	165.4423
\$1,673	0.3450	161.9819

\$3,461	0.3900	237.2704
\$3,461 & over	0.4700	514.1935

Illness-separated

Weekly earnings(x) less than	a	b
\$561	0.0000	0.0000
\$601	0.1900	106.6942
\$658	0.3150	181.8841
\$711	0.4150	247.7380
\$823	0.5527	345.7168
\$915	0.4727	279.8630
\$1,282	0.3477	165.4423
\$1,673	0.3450	161.9819
\$3,461	0.3900	237.2704
\$3,461 & over	0.4700	514.1935

Member of a couple

Weekly earnings(x) less than	a	b
\$517	0.0000	0.0000
\$557	0.1900	98.2712
\$658	0.3150	167.9202
\$711	0.4150	233.7740
\$803	0.5527	331.7529
\$823	0.4277	231.2962
\$1,282	0.3477	165.4423
\$1,673	0.3450	161.9819
\$3,461	0.3900	237.2704
\$3,461 & over	0.4700	514.1935

Medicare levy parameters

Weekly earnings threshold	658
Weekly earnings shade-in threshold	823
Medicare levy family threshold	47,670

Weekly family threshold divisor	52
Additional child	3,356
Shading out point multiplier	0.1000
Shading out point divisor	0.0800
Weekly levy adjustment factor	658.5400
Medicare levy	0.0200

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 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 47% from any payment you make to a resident employee and 45% from a foreign resident employee (ignoring any cents), if all of the following apply:

- they have not quoted their TFN
- they have not claimed an exemption from quoting their TFN
- they have not advised you that they have applied for a TFN or 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](#) 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 47% from any payment you make to a resident employee and 45% 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
- Student Start-up Loan (SSL) debts (includes ABSTUDY SSL debts)
- Trade Support Loan (TSL) debts
- Financial Supplement debts.

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

If your employee has a HELP, SSL, 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, SSL or TSL debts – refer to [HELP/SSL/TSL weekly tax table](#)
- Financial Supplement debts – refer to [SFSS weekly tax table](#).

Allowances

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

For more information, refer to [Withholding for 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](#) 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 \(XLSX, 58KB\)](#).

Ready reckoner for tax offsets

Tax offset entitlement - weekly value

Amount claimed \$	Weekly value \$
1	-
2	-
3	-

Amount claimed \$	Weekly value \$
4	-
5	-
6	-
7	-
8	-
9	-
10	-
20	-
30	1.00
40	1.00
50	1.00
57	1.00
60	1.00
70	1.00
80	2.00
90	2.00
100	2.00
200	4.00
300	6.00
338	6.00
400	8.00
500	10.00
600	11.00
700	13.00
800	15.00
850	16.00
900	17.00
1000	19.00
1100	21.00

Amount claimed \$	Weekly value \$
1173	22.00
1200	23.00
1300	25.00
1400	27.00
1500	29.00
1600	30.00
1700	32.00
1750	33.00
1800	34.00
1900	36.00
2000	38.00
2500	48.00
2535	48.00
3000	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](#) 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, SSL, 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](#) with their *Tax file number declaration*.

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

Schedule 11 – Tax table for employment termination payments

For payments made on or after 1 July 2017

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 but was paid more than 12 months after the relevant termination of employment.

See also:

- [Delayed termination payments](#)
- [Taxation of termination payments](#) for information about ETPs for employers and employees.

Employment termination payments

An ETP is a lump sum payment you make:

- 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:

- a tax-free component
- a taxable component.

You only withhold tax from the taxable component.

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

- the ETP cap
- 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 2017–18 income year is \$200,000. This amount is indexed annually.

The whole-of-income cap amount for the 2017–18 income year is \$180,000. This amount is not indexed. This cap is reduced by any other taxable income payments your employee receives in the income year – for example, salary or wages 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.

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.

Find out about:

- [Payment summaries](#) for more information about ETP codes
- [Taxation of termination payments](#)

ETP caps

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

Applicable caps for ETPs subject to withholding

Column 1 ETP cap only applies to:	Column 2 Smaller of the ETP cap or whole-of-income cap applies to:
a payment made under an early retirement scheme that exceeds the tax-free limit ² (only the amount in excess of the limit is an ETP)	a 'golden handshake' whether paid under: contract industrial award obligation recognition of prior service
a genuine redundancy payment that exceeds the tax-free base limit and for each complete year of service limit ² (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 base limit for the 2017-18 income year is \$10,155 plus \$5,078 for each completed year of service.

For payments in column 2 both caps are considered and the smaller cap applies. Withholding will be made at the top rate of tax on the amount over the smallest cap.

Find out about:

- [Working 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 \$200,000 for 2017-18 (or the balance of ETP cap if a payment component has already applied to the ETP cap where there have been multiple payments for the same termination).
5	If both caps are equal, use the whole-of-income cap. The smaller 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 subject to the ETP cap, will attract a lower ETP cap. This is 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.

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

Do not withhold any amount for:

- Higher Education Loan Program (HELP) debts
- Student Start-up Loan (SSL) debts

- Trade Support Loan (TSL) debts
- Financial Supplement debts.

See also:

- [Tax table for unused leave payments on termination of employment](#) for unused annual leave, leave loading or long service leave payments.

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 about:

- [Deceased estates and their tax obligations](#)

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.

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

A *Tax file number declaration* remains effective for 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.

If the payment is to be made to a foreign resident you will need to check if there is a tax treaty with their country of residence. The full list of our tax treaties is maintained by Treasury and can be found at [Australian Tax Treaties](#). If the ETP is assessable only in the other country because of the treaty, then no withholding is required.

If a foreign resident's ETP is assessable in Australia, you are required to withhold from the payment. Adjust the rates set out in [table A](#) to exclude the Medicare levy of 2%.

Find out about:

- [Taxation of termination payments](#) for information about ETP components.
- [Tax file number declaration](#)
- [What are tax treaties?](#)

When a TFN has not been provided

You must withhold 47% from the taxable component of an ETP you make to a resident employee and 45% from a foreign resident employee (ignoring any cents) who has not given you their TFN.

Examples

Example 1: ETP cap

Lloyd is an employee of BigBiz Pty Ltd and is 41 years old. 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 old. Jane's [preservation age](#) is 60. 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 \$200,000.	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 is younger than his [preservation age](#). He 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 a \$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 \$200,000.	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. An ETP of \$100,000 less the cap amount \$80,000 gives \$20,000 over the cap.	47%

MediumBiz withholds \$35,400 from Chris's ETP of \$130,000. This is \$25,600 (\$80,000 x 32%) plus \$9,400 (\$20,000 x 47%) 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 \$5,133. This is calculated as follows:

\$40,678 less \$35,545 due to the 5 years of service [\$10,155 base limit plus \$25,390 (5 x \$5,078)]. The amount of \$5,133 is an ETP.

Using [table A](#), his employer works out that only the ETP cap applies. Alec is under [preservation age](#), so MacroBiz withholds \$1,643 (32% of \$5,133).

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 \$189,103 (ETP cap \$200,000 for 2017–18 less the \$5,133 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 \$1,643 from the \$5,133 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](#).

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: ■ early retirement scheme	Under preservation age	Up to the ETP cap amount	32%	ETP cap
	Preservation age or over	Up to the ETP cap amount	17%	ETP cap
	All ages	Amount above	47%	ETP cap

<ul style="list-style-type: none"> ■ genuine redundancy ■ invalidity ■ compensation for personal injury, unfair dismissal, harassment or discrimination. 		the ETP cap amount		
<p>Life benefit ETP – taxable component</p> <p>Payment is:</p> <ul style="list-style-type: none"> ■ a ‘golden handshake’ ■ non-genuine redundancy payment ■ severance pay ■ a gratuity ■ in lieu of notice ■ for unused sick leave ■ for unused rostered days off. 	Under preservation age	Up to the relevant cap amount	32%	Smallest of ETP cap and whole-of-income cap
	Preservation age or over	Up to the relevant cap amount	17%	Smallest of ETP cap and whole-of-income cap
	All ages	Amount above the relevant cap amount	47%	Smallest of ETP cap and whole-of-income cap
Death benefit ETP paid to non-dependants – taxable component	All ages	Up to the ETP cap amount	32%	ETP cap
		Amount above the ETP cap amount	47%	ETP cap
Death benefit ETP paid to dependants – taxable component	All ages	Up to the ETP cap amount	Nil	ETP cap
		Amount above the ETP cap amount	47%	ETP cap
Death benefit ETP paid to a trustee of a deceased estate			Nil	

Additional information

The **ETP cap amount** for the 2017–18 income year is \$200,000. The amount is indexed annually.

The **whole-of-income cap** amount for the 2017–18 income year and future years is \$180,000. This amount is not indexed.

A **death benefit dependant** for taxation purposes includes:

- spouse of the deceased
- child of the deceased under 18 years old
- a person who had an interdependency relationship with the deceased
- a person who was a dependant of the deceased just before the latter died.

A **spouse of the deceased** includes another person (of any sex) who:

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

A **child of the deceased** includes:

- an adopted child, stepchild or ex-nuptial child
- a child of the deceased's spouse
- 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).

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 close personal relationship between two people who live together but do not satisfy one or more of the requirements mentioned in the previous dot point due to either or both of them suffering from a physical, intellectual or psychiatric disability.

For further information on interdependency relationships and before accepting that a person is financially dependent, phone us on **13 10 20**.

If an ETP will be paid to the **trustee of a deceased estate**, no amount should be withheld.

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.

Delayed termination payments

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

A delayed termination payment is not treated as an ETP. It must be reported in 'Gross payments' in the employee's PAYG payment summary – individual non-business.

When a TFN is provided

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

When a TFN has not been provided

You must withhold 47% from the payment you make to a resident employee and 45% from a foreign resident employee (ignoring any cents) who has not given you their TFN.

Preservation age

The withholding amount varies depending on whether the employee has reached their preservation age when the payment is made.

Preservation age is determined using your employee's date of birth. For example, if your employee was born on 1 October 1960, they will reach their preservation age of 56 on 1 October 2016. The 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

Payment summaries

You must provide your employee with one or more [PAYG payment summary – employment termination payment](#) 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"> ■ early retirement scheme ■ genuine redundancy ■ invalidity ■ compensation for: <ul style="list-style-type: none"> - personal injury - unfair dismissal - harassment - 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	This is a code R payment. You made one of the following payments to your employee in a previous income year for the same termination : <ul style="list-style-type: none"> ■ a code R payment ■ a code O payment ■ a transitional termination payment
P	This is a code O payment and you made one of the following payments to your employee in a previous income year for the same termination : <ul style="list-style-type: none"> ■ a code R payment ■ a code O payment ■ a transitional termination payment.

Death benefit ETP

d. Code	e. Description
D	Death benefit ETP paid to a dependant of the deceased

B	Death benefit ETP paid to a non-dependant of the deceased. You made a termination payment to the non-dependant in a previous income year for the same termination
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 concessionaly if paid before 1 July 2012.

Find out about:

- [PAYG payment summaries: forms and guidelines](#) – payment summaries can also be printed using software that conforms with ATO reporting specifications
- [Software developers homepage](#) for more details and reporting specifications
- [Taxation of termination payments](#) for information about transitional ETPs.

Schedule 12 – Tax table for superannuation lump sums

For payments made on or after 1 July 2017

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.

This schedule also provides information on the withholding requirements when an untaxed element of super interest is rolled over.

Super lump sums

A super lump sum payment includes a:

- lump sum member benefit paid to an individual where a [condition of release](#) has been satisfied - for example, retirement, terminal medical condition, severe financial hardship, compassionate grounds
- lump sum death benefit paid to an individual following the death of the member or account holder
- commutation of a super income stream (part or all of a super income stream is exchanged for a lump sum).

A super lump sum may be paid from a super fund, approved deposit fund (ADF) or a retirement savings account (RSA).

Components of a super lump sum

Before you can work out the withholding amount, you must [calculate the components](#) of the super lump sum.

A super lump sum may have two components:

- a tax-free component
- a taxable component which can include an
 - element taxed in the fund (taxed element)
 - element untaxed in the fund (untaxed element).

You **do not** withhold from the tax-free component.

Working out the withholding amount

You must calculate the amount to withhold by applying the rates set out in [table A](#) if your payee:

- is an Australian resident
- receives a taxable component of a super lump sum
- has provided you with their TFN.

These rates include the Medicare levy of 2%.

If the payment is to be made to a foreign resident you will need to check if there is a tax treaty with their country of residence. The full list of our tax treaties is maintained by Treasury and can be found in the Australian Tax Treaties table. If, because of the treaty, the super lump sum is assessable only in the other country, then no withholding is required.

If a foreign resident's super lump sum is assessable in Australia, you are required to withhold from the payment. Adjust the rates set out in [table A](#) to exclude the Medicare levy of 2%.

Different withholding rates apply for temporary residents who request a departing Australia superannuation payment. Phone us on **13 10 20** or follow the link below.

Find out more:

- [Australian Tax Treaties](#)
- [Departing Australia superannuation payment](#)

Payments not subject to PAYG withholding

The following super lump sums are **not** subject to PAYG withholding:

- a payment made to a person who is suffering from a [terminal medical condition](#)
- a payment made to a [dependant](#) after the death of the member or account holder
- an amount paid to the trustee of a deceased estate after the death of the member.

When a TFN has not been provided

Different withholding rates apply where the payee of the super lump sum has not provided you with their TFN before the payment is made.

Paid to an Australian resident

- Under 60 years old:
 - taxable component (taxed element and untaxed element) – withhold 47% (ignoring cents)
- 60 years old or over:
 - taxed element – no amount is required to be withheld
 - untaxed element – withhold 47% (ignoring any cents).

Paid to a foreign resident

Check if there is a tax treaty with the payee's country of residence. If the super lump sum is assessable in the other country, no withholding is required.

If the super lump sum is assessable in Australia, use the following withholding rates:

- Under 60 years old:
 - taxable component (taxed element and untaxed element) – withhold 45% (ignoring any cents)
- 60 years old or over:
 - taxed element – no amount is required to be withheld
 - untaxed element – withhold 45% (ignoring any cents).

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

- Higher Education Loan Program (HELP) debts
- Student Start-up Loan (SSL) debts (includes ABSTUDY SSL debts)
- Trade Support Loan (TSL) debts
- Financial Supplement debts.

Find out about:

- [What are tax treaties?](#)

Rollovers

If the person entitled to receive the super lump sum asks you to roll over their benefit, you are generally not required to withhold from any of the rolled-over amount.

However, if the rollover benefit consists of an untaxed element that exceeds the [untaxed plan cap](#) you are required to withhold at the following rates:

- amount of the untaxed element up to the untaxed plan cap – no amount required to be withheld
- amount of the untaxed element above the untaxed plan cap – withhold 47%.

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

Example: Rollover contains an untaxed element

Tom asks his fund to roll over his super interest of \$1.5 million which consists wholly of an untaxed element. The untaxed plan cap amount for 2017-18 is \$1.445 million.

These are the amounts required to be withheld:

- up to the untaxed plan cap = \$1,445,000 (no withholding required)

- above the untaxed plan cap = \$55,000 (\$1,500,000 - \$1,445,000)
- from \$55,000 = \$25,850 (\$55,000 x 47%).

The net rollover of \$1,474,150 (\$1,500,000 - \$25,850) is required to be reported to the receiving fund within 3 days to meet the SuperStream data and payments standard. You are also required to provide a statement to the member with 30 days of the rollover.

Find out about:

- [SuperStream](#)
- [Untaxed plan cap](#)

Table A: Withholding rates for super lump sums

Type of payment and tax component	Age of person at the date the payment is received	Amount subject to PAYG withholding	Rate of withholding
Member benefit – taxed element of the taxable component	Under preservation age	Whole amount	22%
	Preservation age to 59 years	Amount up to low rate cap	Nil
		Amount above the low rate cap	17%
	60 years and above	Whole amount	Nil
Member benefit – untaxed element of the taxable component	Under preservation age	Amount up to untaxed plan cap	32%
		Amount above untaxed plan cap	47%
	Preservation age to 59 years	Amount up to low rate cap	17%
		Amount above the low rate cap up to the untaxed plan cap	32%
		Amount above untaxed plan cap	47%
	60 years and above	Amount up to untaxed plan cap	17%
		Amount above untaxed plan cap	47%

Member benefit – total of preserved benefits is less than \$200	Any age	Nil – amount is non-assessable, non-exempt income	N/A
Member benefit – terminal medical condition payment	Any age	Nil – amount is non-assessable, non-exempt income	N/A
Death benefit paid to a dependant – taxed and untaxed elements of the taxable component	Any age	Nil – amount is non-assessable, non-exempt income	N/A
Death benefit paid to a non-dependant – taxed element of the taxable component	Any age	Whole amount	17%
Death benefit paid to a non-dependant – untaxed element of the taxable component	Any age	Whole amount	32%
Death benefit paid to the trustee of the deceased estate	Any age	None	Nil

Additional information

Low rate cap: For the 2017-18 income year, the low rate cap is \$200,000 and is indexed annually. The low rate cap is:

- in relation to super lump sums paid to an individual who has reached their preservation age, the maximum amount of the taxable component that is allowed the lowest rate of tax
- a lifetime limit
- allocated to the taxed element first before allocating the remaining low rate cap to the untaxed element.

Untaxed plan cap: For the 2017-18 income year, the untaxed plan cap is \$1,445,000 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](#).

Lump sum less than \$200: There is no withholding required from the whole amount if it is paid by a regulated super fund, complying ADF or RSA provider as a super lump sum and it is the payee's entire benefit.

A **terminal medical condition** exists if:

- two registered medical practitioners have certified, jointly or separately, that the member suffers from an illness, or has incurred an injury, that is likely to result in the member's death within 24 months of the date of certification
- at least one of the registered medical practitioners is a specialist practicing in an area related to the member's illness or injury

- the certification period has not ended for each of the certificates.

The certification period is 24 months from the date of certification.

A **death benefit dependant** for taxation purposes includes:

- spouse of the deceased
- child of the deceased under 18 years old
- a person who had an interdependency relationship with the deceased
- a person who was a dependant of the deceased just before the latter died
- any individual who is paid a lump sum death benefit 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*).

A **spouse of the deceased** includes another person (of any sex) who:

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

A **child of the deceased** includes:

- an adopted child, stepchild or ex-nuptial child
- a child of the deceased's spouse
- a child of the deceased within the meaning defined in the *Family Law Act 1975* (for example, somebody who is considered to be a child of a person under a state or territory court order giving effect to a surrogacy agreement).

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 close personal relationship between two people who live together but do not satisfy one or more of the requirements mentioned in the previous dot point due to either or both of them suffering from a physical, intellectual or psychiatric disability.

For further information on interdependency relationships and before accepting that a person is financially dependent, phone us on **13 10 20**.

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. They are 57 and 61 years old 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. They are both over their preservation age.

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 but is still under 60, she is entitled to the low rate cap.

1. Amount up to low rate cap = \$200,000 (2017-18 income year cap amount)
2. Amount above low rate cap = \$20,000 (\$220,000 – \$200,000)
3. Amount to withhold from \$20,000 = \$3,400 (17% of \$20,000)

Note: The low rate cap is indexed annually.

Amount to withhold for Dean:

As Dean is over 60 years old, no part of his super lump sum payment is subject to withholding.

Preservation age

The withholding amount varies depending on whether the payee has reached their preservation age when the payment is made.

Preservation age is determined using your payee's date of birth. For example, if a member was born on 1 October 1960, they will reach their preservation age of 56 on 1 October 2016. The 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

Payment summaries

You must provide a [PAYG payment summary – superannuation lump sum](#) to the recipient of the super lump sum within **14 days** of making a lump sum payment.

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

For information and reporting specifications visit [Software developers](#).

Schedule 13 – Tax table for superannuation income streams

For payments made on or after 1 July 2017

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:

- capped defined benefit income stream
- transition to retirement income stream
- temporary or permanent disability income stream

Super income streams

A super income stream is a series of regular payments from a superannuation provider when the member has satisfied a condition of release. These regular payments can be paid weekly, fortnightly, monthly, quarterly or annually.

The following payment is **not** a super income stream payment:

- commutation of an income stream; this is a super lump sum.

What's New - Defined Benefit Income Cap

As part of the Super Reform measures that apply from 1 July 2017 the legislation introduced a cap on defined benefit income streams. The general defined benefit cap is \$100,000 and is subject to indexation. The cap can also be reduced - see [part E](#). Income above the cap will be subject to additional tax treatment.

Super income streams that did not previously have a withholding obligation are now subject to withholding even if the withholding amount is nil. Changes also apply to the applicable tax offset.

You will now need to consider whether withholding applies on all superannuation income stream payments regardless of the member's age and income level.

Defined Benefit income streams are subject to additional income tax rules where the recipient is 60 years old or over, or death benefits which a dependant receives from a deceased person 60 years old or over.

A *PAYG payment summary - superannuation income stream* is required to be issued to all members regardless of age and withholding amount. For members who are 60 years old or over you will no longer need to populate the Tax Offset field, however you will still need to take this into account when working out their withholding amount.

See also:

- [Conditions of release](#)
- [Taxation Ruling TR 2013/5: When a super income stream commences and ceases](#)
- [Tax table for superannuation lump sums](#)
- [Super changes](#)
- [Super changes for APRA-regulated funds](#)
- [Varying your PAYG withholding](#)

Components of a super income stream

Before you can work out the withholding amount, you must [calculate the components](#) of the super income stream.

A super income stream may have two components:

- taxable component which can include either or both of an:
 - element taxed in the fund (taxed element)
 - element untaxed in the fund (untaxed element).
- tax-free component

Tax file number (TFN) declarations

The answers your payees 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 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 47% for residents and 45% 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.

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](#) 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 47% from any payment you make to a resident payee and 45% 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:

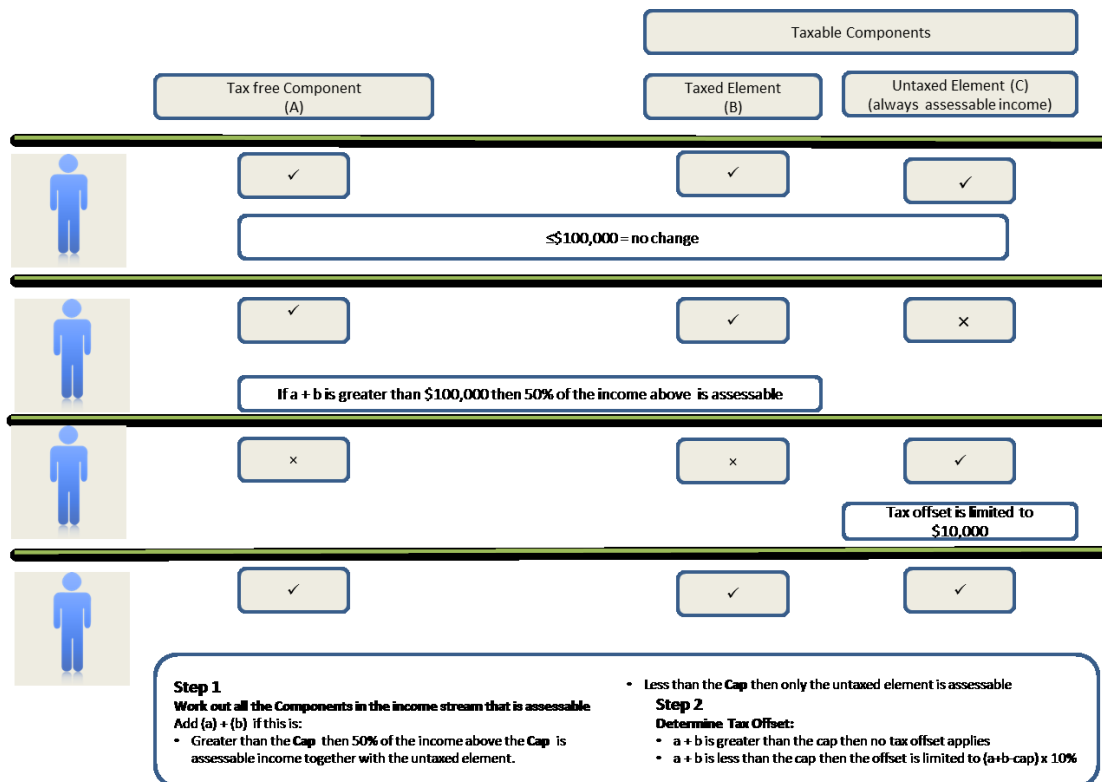
- Higher Education Loan Program (HELP) debts
- Student Start-up Loan (SSL) debts (includes ABSTUDY SSL debts)
- Trade Support Loan (TSL) debts
- Financial Supplement debts.

Working out the withholding amount

Factors to consider when working out the withholding amount include:

- whether the payee is an Australian resident or foreign resident for tax purposes
- the age of the payee
- the frequency of the income stream payments – for example, fortnightly, monthly
- whether the payee is claiming the tax-free threshold
- whether the payee is claiming the seniors and pensioners tax offset
- whether the income stream includes an untaxed element (generally payments from state and Commonwealth public sector super schemes)
- whether the total of the taxed elements and tax-free component is greater or less than the defined benefit income cap (the Cap)
- whether the defined benefit income cap (the Cap) can be reduced (see [part E](#))
- whether the income stream is a reversionary death benefit income stream (see [part E](#)).

The following diagram shows the combination of the income stream components and how they are taxed.



Payments to Australian residents

This schedule is divided into five parts. The amount required to be withheld from a super income stream can be calculated using the following parts:

- payee is under 60 years old, including disability super income streams and reversionary income streams where the deceased was aged less than 60 – use [part A](#).
- payee is under 60 years old, and is in receipt of a reversionary income stream and the deceased was at least 60 years old at the time of death – use [part E](#).
- payee turns 60 years old during the financial year or starts their income stream part way through the financial year – use [part E](#).
- payee is 60 years old or over and their capped defined benefit income stream payments are from a taxable component - taxed element and tax-free component only – use [part B](#).
- payee is 60 years old or over, and receives a taxable component - untaxed element only, or the total capped defined benefit income stream is less than the Cap and they have an untaxed element – use [part C](#).
- payee is 60 years old or over, and receives a mixture of the components as a capped defined benefit income stream – use [part D](#).

Payments to foreign residents

If the income stream is to be made to a foreign resident, you will need to check if there is a tax treaty with their country of residence. If the super income stream is assessable in the other country because of the treaty, no withholding is required.

If a foreign resident's income stream is assessable in Australia, you are required to withhold from the payment.

See also:

- The full list of [Australian Tax Treaties](#), as maintained by Treasury
- [What are tax treaties?](#)

Rounding of withholding amounts

Ignore any cents in an income stream before using any of the steps in this schedule to calculate withholding. Withholding amounts calculated using the steps are rounded to the nearest dollar. Results ending in exactly 50 cents are rounded to the next highest dollar. Do this rounding directly; do not make a preliminary rounding to the nearest cent. Where no TFN has been provided, cents are ignored when withholding amounts are calculated.

Part A: Payee under 60 years old

Use this part where the payee is under 60 years old or if it is a reversionary income stream and both the deceased and the recipient are below 60. If the payee is less than 60 and is in receipt of a reversionary capped defined benefit income stream and the deceased was 60 years or over at the time of death you must use [part E](#).

Taxable component contains taxed and untaxed elements

Withholding steps

Step 1: Use the following table to work out which elements of the taxable component withholding applies to.

How to apply withholding when taxable component contains untaxed element

Taxable component of super income stream contains		Withholding applies to the following amount(s)
Untaxed element	Taxed element	
Yes	Yes	Sum of untaxed and taxed elements
No	Yes	Taxed element
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 the income stream covers – that is, weekly, fortnightly or monthly.

Note: Some payees may be eligible to claim the seniors and pensioners tax offset (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](#) to work out the amount to withhold from the amount calculated in step 1.

Step 3: Some payees 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 under 60 years old	Taxed element × 15% Untaxed element - Nil

Disability super income stream – taxable component

Age	Tax offset
Below preservation age	Taxed element × 15% Untaxed element - Nil
Preservation age to under 60 years old	Taxed element × 15% Untaxed element - Nil

Step 4: For some payees, the application of the offset from step 3 leads to under withholding for their Medicare levy. An offset adjustment is required where the tax offset calculated in step 3 is greater than zero. Use the applicable formulas below to calculate the offset adjustment amount. You will need to [calculate the weekly equivalent](#) of the taxable component if making fortnightly, monthly or quarterly payments. If an offset adjustment is not required set the offset adjustment to zero.

Adjustment amounts per taxable component amount

Taxable component amount (on a weekly basis)	Offset adjustment amount
Less than the Medicare levy threshold for singles	Nil
Greater than the Medicare levy threshold for singles, but less than the Medicare levy shade out point (SOP) for singles	(Taxable component - Medicare levy threshold for singles) x 0.10
Greater than or equal to the Medicare levy SOP for singles, but less than \$934	Taxable component x 0.02
Greater than \$933	Nil

Medicare levy parameters are contained in [Statement of formulas for calculating amounts to be withheld](#)

Step 5: Calculate the notional amount to withhold by first subtracting the tax offset per payment (step 3) 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 offset adjustment amount calculated at step 4.

If the notional amount to withhold is:

- **less** than the amount calculated at step 4, withhold the amount calculated at step 4
- **more** than the amount calculated at step 4, withhold the notional amount to be withheld.

Tax-free component

Where the income stream is being paid to a payee under 60 years old you do not need to take into consideration their tax-free component when calculating their withholding.

Example

This example uses the PAYG withholding tax tables that apply from 1 July 2017.

Case A: Payee is under 60 years old

Maree, 58, receives a fortnightly capped defined benefit income stream of \$1,200 comprising:

- a tax-free component of \$300
- a taxable component of \$900.

Maree's preservation age is 58.

Step 1: Maree is 58 years old therefore withholding applies to the taxable component.

Step 2: As Maree is paid fortnightly, use the [Fortnightly tax table](#) to work out the withholding required from the \$900 taxed element. This amount is \$44, assuming that Maree is claiming the tax-free threshold.

Step 3: Maree is entitled to a tax offset.

Tax offset = taxed element x 15%

= \$900 x 15%

= \$135

Step 4: Calculate Maree's fortnightly offset adjustment amount. As Maree's fortnightly payment is more than \$820 (the Medicare levy threshold for singles, on a fortnightly basis) but less than \$1024 (the Medicare levy SOP for singles, on a fortnightly basis), her offset adjustment amount is calculated as:

Offset adjustment amount = (Taxable component - Medicare levy threshold for singles) x 0.10

= (\$900 - \$820) x 0.10

= \$8.00

= \$8 per fortnight (rounded to the nearest dollar)

Maree's offset adjustment amount is \$8 per fortnight.

Step 5: To calculate the notional withholding amount, reduce the withholding amount (\$44 as worked out in step 2) by the value of the tax offset (\$135 as worked out in step 3). That is:

Notional withholding amount = \$44 – \$135

= -\$91

Since the notional withholding amount is negative and less than the offset adjustment amount, the amount to be withheld from Maree's fortnightly super income stream is \$8. This is the offset adjustment amount which will cover the Medicare levy payable.

Part B: Payee 60 years old or over - taxed element and tax-free component

Use this part where the payee is 60 years old or over and their capped defined benefit income stream is made up of a taxed element and tax free component and the payee has received a capped defined benefit superannuation income stream throughout the year.

Withholding steps

Step 1: Convert the income stream you received this period to an annualised amount and use the following table to work out whether withholding applies, and if so, what amount it applies to.

Income Stream Components	Does withholding apply?
Sum of tax-free component and taxed element is less than the Cap	No withholding applies. No further steps are necessary.
Sum of tax-free component and taxed element is greater than the Cap	Withholding applies to 50% of the amount over the Cap. Go to step 2.

Step 2: Calculate the weekly, fortnightly or monthly equivalent of the amount in excess of the Cap. For example, if you pay the payee weekly divide the excess by 52. If you pay fortnightly divide the excess by 26. If you pay monthly divide the excess by 12 (ignore cents in the result).

Step 3: Divide the amount calculated at step 2 by two (ignore cents in the result).

Step 4: Use the appropriate [PAYG withholding tax table](#) to calculate the withholding amount relevant to the amount worked out in step 3. The tax table you use depends on the period the income stream covers – that is, weekly, fortnightly or monthly.

Examples

The examples use the PAYG withholding tax tables that apply from 1 July 2017.

Case B(i): Capped defined benefit income stream where the annual entitlement is under the Cap

Courtney, 61, receives a fortnightly capped defined benefit income stream of \$2,000 comprising of:

- a tax-free component of \$200

- a taxable component - taxed element of \$1,800.

Courtney is entitled to the full defined benefit income cap amount of \$100,000 as there are no factors present that reduce this cap. The annual equivalent of Courtney's fortnightly super income stream (\$52,000) is less than the defined benefit income cap of \$100,000. As Courtney is over 60 years old and her capped defined benefit income stream is comprised wholly of a taxable element and tax-free component of less than \$100,000 for the income year, no withholding is required.

Case B (ii): Capped defined benefit income stream annual entitlement exceeds the Cap

Example 1

Bill, 63, receives a fortnightly capped defined benefit income stream of \$5,550 comprising of:

- a tax-free component of \$550
- a taxable component - taxed element of \$5,000.

Bill is entitled to the full defined benefit income cap amount of \$100,000 as there are no factors present that reduce this cap

Step 1 The annual equivalent of Bill's fortnightly capped defined benefit income stream (\$144,300) is greater than the defined benefit income cap of \$100,000. Withholding applies to 50% of the amount over the Cap. Go to step 2.

Step 2 Calculate the fortnightly equivalent of the amount in excess of the Cap.

$$\$144,300 - \$100,000 = \$44,300$$

Bill is paid fortnightly, therefore:

$$\$44,300 / 26 = \$1,703 \text{ (ignoring cents)}$$

Step 3 Divide the amount calculated at step 2 by two.

$$\$1,703 / 2 = \$851 \text{ (ignoring cents)}$$

Step 4 Use the [Fortnightly tax table](#) to calculate the withholding amount relevant to the amount worked out in step 3.

As Bill has claimed the tax -free threshold the withholding amount is \$28.

Part C: Payee 60 years old or over -untaxed element

Use this part where the payee is 60 years old or over and their capped defined benefit income stream is made up of a taxable component - untaxed element only, or their total capped defined benefit income stream is less than the Cap and they have an untaxed element.

Withholding steps

Step 1: Convert the income stream you received this period to an annualised amount. Use the following table to work out the amount of withholding and tax offset that applies.

Income Stream Components			Sum of components	Withholding/Tax Offset applies to the following amount(s)
Tax-Free	Taxed	Untaxed		
No	No	Yes	Equal to or greater than the Cap	Withholding applies to the Untaxed Element and Tax Offset is capped at \$10,000.
Yes	Yes	Yes	Less than the Cap	Withholding applies to the Untaxed Element only and Tax Offset is calculated at 10% of the untaxed element.

Step 2: Use the appropriate [PAYG withholding tax table](#) to calculate the withholding amount relevant to this pay period's taxable component - untaxed element. The tax table you use depends on the period the income stream covers – that is, weekly, fortnightly or monthly.

Note: Some payees may be eligible to claim the seniors and pensioners tax offset (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](#) to work out the amount to withhold from the amount calculated in step 2.

Step 3: Determine the tax offset

If the untaxed element is less than the cap then:

$$\text{Tax Offset} = \text{Untaxed element} \times 10\%$$

If the untaxed element is greater than the Cap then the tax offset is capped at \$10,000.

Step 4: Work out the amount to withhold by subtracting the tax offset per payment (step 3) from the withholding amount (step 2).

$$\text{Amount to withhold} = \text{withholding amount} - \text{tax offset}$$

If the tax offset amount is greater than the withholding amount, the amount to withhold is nil.

Example

This example uses the PAYG withholding tax tables that apply from 1 July 2017.

Case C: Capped defined benefit income stream comprised of a taxable component - untaxed element only

Vera, 68, receives a weekly super income stream of \$2,000 comprised only of a taxable component - untaxed element.

Step 1 Withholding applies to Vera's taxable component - untaxed element. The annual equivalent of Vera's weekly super income stream ($\$2,000 \times 52 = \$104,000$) is greater than the defined benefit income cap of \$100,000. Therefore, Vera's tax offset is capped at \$10,000 for the income year.

Step 2 Using the [Weekly tax table](#), the withholding amount relevant to the taxable component - untaxed element for \$2,000 is \$543 (Vera has claimed the tax-free threshold).

Step 3 As Vera is over 60 years old she is eligible for a 10% tax offset of the untaxed element.

Tax offset = Untaxed element x 10% = \$2,000 x 10% = \$200

The tax offset amount is capped at \$10,000. This weekly offset amount exceeds this cap (\$200 x 52 = \$10,400). Therefore, the tax offset is reduced to the weekly equivalent of the \$10,000 annual cap amount.

Weekly tax offset = \$10,000 / 52 = \$192 (ignore cents)

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

= \$543 - \$192

= \$351

Part D: Payee 60 years old or over - income stream contains all components

Use this part where the payee is 60 years old or over and receives a capped defined benefit income stream for the full income year which includes a mixture of all of the following components:

- Taxable component - taxed element
- Taxable component - untaxed element
- Tax-free component

Withholding steps

Work out the amount subject to withholding

Step 1: Convert the income stream you received this period to an annualised amount.

Then add together all the components that make up the income stream to determine whether you go to step 2 or part C.

Income Stream Components			Sum of components	Next step
Tax-Free	Taxed	Untaxed		
Yes	Yes	Yes	Equal to or greater than the Cap	Go to step 2
Yes	Yes	Yes	Less than the Cap	Go to part C (untaxed component)

Step 2: Add the tax-free component and taxed element. Subtract the cap from this amount.

Step 3: Calculate the weekly, fortnightly or monthly equivalent of the amount at step 2. For example, if you pay the payee weekly divide the excess by 52. If you pay fortnightly divide the excess by 26. If you pay monthly divide the excess by 12 (ignore cents in the result).

Step 4: Divide the amount calculated at step 3 by two (ignore cents in the result). The result is the amount subject to withholding.

Step 5: Calculate the weekly, fortnightly or monthly equivalent of the untaxed element and add this to the amount calculated at step 4.

Step 6: Use the appropriate PAYG withholding tax table to calculate the withholding amount relevant to the amount worked out in step 5. The tax table you use depends on the period the income stream covers – that is, weekly, fortnightly or monthly.

Calculate the tax offset applicable

Step 7: Determine any entitlement to the tax offset. If the amount from step two is equal or greater than the cap then the payee is not entitled to a tax offset.

If the amount at step 2 is less than the cap, the payee is entitled to a tax offset. Apply 10% to this amount. The result is an annual tax offset amount.

Calculate the weekly, fortnightly or monthly equivalent of this annual tax offset amount at step 2. For example, if you pay the payee weekly divide the amount by 52. If you pay fortnightly divide the amount by 26. If you pay monthly divide the amount by 12 (ignore cents in the result).

Work out the amount to withhold

Step 8: Subtract the tax offset per payment (step 7) from the withholding amount (step 6).

Amount to withhold = withholding amount – tax offset

Examples

These examples use the PAYG withholding tax tables that apply from 1 July 2017.

Case D: Payee is over 60 years old, and receives all elements of a capped defined benefit income stream

Example 1

Nancy, 75, receives a capped defined benefit income stream for the financial year of \$212,000 comprising of:

- taxable component - taxed element \$120,000
- taxable component - untaxed element \$62,000
- tax-free component \$30,000.

Nancy is paid weekly and claims the tax-free threshold.

Work out the amount subject to withholding

Step 1 Add together all the components.

$$\$120,000 + \$62,000 + \$30,000 = \$212,000$$

As the sum is over the \$100,000 Cap, proceed to step 2.

Step 2 Add together the tax-free component and taxed element. Subtract the \$100,000 cap from this amount.

Sum of tax-free component and taxed element

$$\$120,000 + \$30,000 = \$150,000$$

Amount in excess of cap

$$\$150,000 - \$100,000 = \$50,000$$

Step 3 Calculate the weekly equivalent of the amount in excess of \$100,000 calculated at step 2.

$$\$50,000 / 52 = \$961 \text{ (ignore cents)}$$

Step 4 Divide the amount calculated at step 3 by two.

$$\$961 / 2 = \$480 \text{ (ignore cents)}$$

Step 5 Calculate the weekly equivalent of the untaxed element of the taxable component \$1,192 ($\$62,000/52$) and add it to the amount calculated at step 4 (\$480).

$$\$1,192 + \$480 = \$1,672$$

Step 6 Using the [Weekly tax table](#), the withholding amount relevant to the amount calculated in step 5 is \$415.

Calculate the tax offset applicable

Step 7 Determine any entitlement to the tax offset. As the sum of Nancy's taxed element and tax-free component is over \$100,000 she is no longer eligible for a tax offset for the untaxed element.

Work out the amount to withhold

Step 8 Amount to withhold = withholding amount (step 6) – tax offset (step 7)

$$= \$415 - 0$$

Total amount to withhold is \$415.

Example 2

Fred, 68, receives a capped defined benefit income stream for the full financial year of \$115,000 comprising of:

- taxable component - taxed element \$82,000
- taxable component - untaxed element \$23,000
- tax-free component \$10,000.

Fred is paid fortnightly and claims the tax-free threshold.

Work out the amount subject to withholding

Step 1 Add together all the components.

$$\$82,000 + \$23,000 + \$10,000 = \$115,000$$

As the sum is over the \$100,000 Cap, proceed to step 2.

Step 2 Add together the tax-free component and taxed element. Subtract the \$100,000 Cap from the result.

Sum of tax-free component and taxed element.

$$\$10,000 + \$82,000 = \$92,000$$

Amount in excess of cap.

$$\$92,000 - \$100,000 = - \$8,000$$

As \$92,000 is less than \$100,000 there is no excess amount.

Step 3 & Step 4 These steps are not necessary as no excess amount was calculated at step 2.

Step 5 Add the untaxed element of the taxable component \$884 (i.e. fortnightly equivalent of \$23,000) to the amount calculated at step 4 (Nil).

$$\$884 + \text{Nil} = \$884$$

Step 6 Using the [Fortnightly tax table](#), the withholding amount relevant to the amount calculated in step 5 is \$38.

Calculate the tax offset applicable

Step 7 As Fred's tax-free component and taxed element is less than the \$100,000 Cap then he is entitled to a tax offset limited to the amount up to the Cap.

$$\text{Tax offset} = (\$100,000 - \text{amount at step 1}) \times 10\%$$

$$(\$100,000 - \$92,000) \times 10\% = \$800$$

The tax offset amount is capped at \$800.

As Fred is being paid on a fortnightly basis divide the offset by 26.

$$\$800 / 26 = \$30 \text{ (ignore cents).}$$

Work out the amount to withhold

Step 8 Amount to withhold = withholding amount (step 6) – tax offset (step 7)

$$= \$38 - \$30$$

Total amount to withhold is \$8.

Example 3

Bob, 70, receives a capped defined benefit income stream for the full financial year of \$210,000 comprising of:

- taxable component - taxed element \$0
- taxable component - untaxed element \$180,000
- tax-free component - \$30,000.

Bob is paid weekly and claims the tax-free threshold.

Work out the amount subject to withholding

Step 1 Add together all the components.

$$\$0 + \$180,000 + \$30,000 = \$210,000$$

As the sum is over the \$100,000 Cap, proceed to step 2.

Step 2 Add together the tax-free component and taxed element. Subtract the \$100,000 Cap from this amount.

$$\$30,000 + \$0 = \$30,000$$

$$\$30,000 - \$100,000 = -\$70,000$$

As \$30,000 is less than the \$100,000 Cap there is no excess amount.

Step 3 & Step 4 These steps are not necessary as no excess amount was calculated at step 2.

Step 5 Add the untaxed element of the taxable component \$3,461 (i.e. weekly equivalent of \$180,000) to the amount calculated at step 4 (Nil).

$$\$3,461 + \text{Nil} = \$3,461$$

Step 6 Using the [Weekly tax table](#), the withholding amount relevant to the amount calculated in step 5 is \$1,113.

Calculate the tax offset applicable

Step 7 As Bob's tax-free component is less than the \$100,000 Cap then he is entitled to a tax offset limited to the amount up to the Cap.

$$\text{Tax offset} = (\$100,000 - \text{amount at step 2}) \times 10\%$$

$$(\$100,000 - \$30,000) \times 10\% = \$7,000$$

The tax offset amount is capped at \$7,000

As Bob is paid weekly divide the offset by 52.

$$\$7,000/52 = \$134 \text{ (ignore cents)}$$

Work out the amount to withhold

Step 8 Amount to withhold = withholding amount (step 6) – tax offset (step 7)

$$= \$1,113 - \$134$$

Total amount to withhold is \$979

Part E: Reduction in general defined benefit income cap

Use this part when a reduction in the general defined benefit income cap is required to be calculated due to one of the following circumstances:

- where the payee turns 60 years old during the financial year
- where the payee starts an income stream part way through a financial year
- where the payee starts a reversionary income stream and the payee was under 60 years old and the deceased was over 60 years old.

If any of the above applies the following formula is used to calculate the revised cap:

$$\frac{\text{General defined benefit cap} \times (1 + \text{number of days remaining in the financial year})}{\text{Number of days in financial year}}$$

Turning 60 during the financial year

Where a payee is in receipt of a capped defined benefit income stream prior to turning 60, use [part A](#) to calculate the withholding amount applicable for that period.

For the income they receive from the day they turn 60, use the appropriate part of this schedule however their Cap is prorated accordingly.

Case E (i): Turning 60 during the financial year - Reduced cap amount

On 1 July 2017 Chris was 59 years old receiving a capped defined benefit income stream. Chris turns 60 on 3 December 2017.

Chris's income stream paid to him prior to turning 60 will be taxed according to [part A](#), the taxation consequences change when he turns 60 and therefore he will be subject to a different tax treatment.

Chris's reduced defined benefit income cap for the 2017/18 financial year is worked out as follows:

$$= \$100,000 \times (1 \text{ day turning 60} + \text{number of days over 60} / \text{Total number of days in financial year})$$

$$= \$100,000 \times (1+210)/365$$

$$= \$100,000 \times (211/365)$$

$$= \$57,808.21$$

Chris's reduced defined benefit income cap is \$57,809 (round up to nearest dollar)

Note: You will need to provide a *PAYG payment summary - superannuation income stream* for payments made to the payee before turning 60 and a separate payment summary for payments made to the payee after turning 60.

Case E (ii): Turning 60 during the financial year - Reduced cap amount and withholding calculation

On 1 July 2017 Loraine was 59 years old receiving a capped defined benefit income stream. Loraine turns 60 on 12 September 2017. Up until Loraine's 60th birthday, withholding is calculated using the steps from part A. To calculate withholding on any payment made on or after Loraine's birthday, apply the steps outlined in this example.

Loraine receives a fortnightly income stream of \$5,200 made up of the following:

- a tax-free component of \$400
- a taxable component - taxed element of \$4,800.

Loraine's income stream paid to her prior to turning 60 will be taxed according to [part A](#). The character of this income changes when she turns 60 and therefore she will be subject to a different tax treatment.

Loraine's reduced defined benefit income cap for the 2017/18 financial year is worked out as follows:

$$= \$100,000 \times (1+291)/365)$$

$$= \$100,000 \times (292/365)$$

$$= \$100,000 \times 0.80$$

Loraine's reduced defined benefit income cap is \$80,000.

The annual equivalent of Loraine's fortnightly super income stream (\$135,200) is greater than the reduced defined benefit income cap of \$80,000.

Step 1 Calculate the fortnightly equivalent of the amount in excess of \$80,000.

$$\$135,200 - \$80,000 = \$55,200$$

Loraine is paid fortnightly, therefore:

$$\$55,200 / 26 = \$2,123 \text{ (ignoring cents)}$$

Step 2 Divide the amount calculated at step 1 by two.

$$\$2,123 / 2 = \$1,062 \text{ (rounded to the nearest dollar)}$$

Step 3 Use the [Fortnightly tax table](#) to calculate the withholding amount relevant to the amount worked out in step 2.

As Loraine has claimed the tax-free threshold the withholding amount is \$88.

Starting an income stream during the financial year

Where a payee starts a capped defined benefit income stream during the financial year, their Cap is prorated accordingly.

Case E (iii): Starting an income stream during the financial year

Sarah is 65 years old and she first starts her capped defined benefit income stream on the 1 January 2018.

Sarah's reduced defined benefit income cap for the 2017/18 financial year is worked out as follows:

$$= \$100,000 \times (1+182)/365$$

$$= \$50,137$$

Sarah's reduced defined benefit income cap is \$50,137.

To calculate withholding use this reduced cap when applying the applicable parts of this schedule.

Reversionary income where the payee is under 60 years old and the deceased was at least 60 years old

Where a payee is under 60 years old and receives reversionary income stream, and the deceased was at least 60 years old, their Cap is prorated accordingly.

If the payee is also receiving their own defined benefit income stream, withholding will need to be calculated using the applicable part of this schedule.

Case E (iv): Reversionary income where the payee is under 60 years old and the deceased was at least 60 years old

Freya, 57, receives a defined benefit income stream in her own right, and her income stream is taxed under [part A](#) of this schedule. Freya receives a *PAYG payment summary - superannuation income stream* with the amounts and applicable tax offset.

Freya's partner died on the 1st of January 2018; Freya's partner was aged 61 at the time of death and was in receipt of a defined benefit income stream with both tax-free components and taxable components. Freya is now entitled to a reversionary income stream.

As Freya's reversionary income stream was subject to concessional tax treatment, Freya's reversionary income stream is also subject to additional taxation arrangements.

As Freya's partner died on the 1st of January 2018 (182days) her defined benefit income cap is reduced from \$100,000 to \$50,137. This cap is then further reduced by the amount of defined benefit income she received from the date of death of her partner.

Freya is paid fortnightly and her own super income for the financial year is \$70,000 which comprises of a:

- taxable component - taxed element \$60,000
- taxable component - untaxed element \$0
- tax-free component - \$10,000.

Calculate Freya's withholding from her own super income stream

Step 1 Add together Freya's Untaxed and Taxed elements, ignoring the tax-free component as she is aged less than 60. This amount is \$60,000.

Work out fortnightly taxable payments $\$60,000/26 = \$2,307$.

Use the [Fortnightly tax table](#) to calculate withholding = \$472.

Step 2 Determine the tax offset available for Freya.

15% of \$60,000 = \$9,000

As Freya is being paid on a fortnightly basis divide the offset by 26.

$\$9,000/26 = \346 (ignore cents).

Step 3 Determine withholding from Freya's own income stream.

Withholding calculated at step 1 - Tax offset calculated at step 2

$\$472 - \$346 = \$126$

Calculate Freya's Defined Benefit Cap

Freya's defined benefit cap is reduced $\$100,000 \times [(1+182)/365] = \$50,137$.

Freya's reduced cap is \$50,137.

As Freya has defined benefit income in her own right it is further reduced by the amount of the taxed element and tax-free component that was paid to her from the date her partner died.

Reversionary Cap $\$50,137 - 183/365 \times 70,000$.

Freya's reduced Defined Benefit Cap is now \$15,041.

Freya's Reversionary income stream comprises of a:

- taxable component - taxed element \$30,000
- taxable component - untaxed element \$10,000
- tax-free component - \$10,000

Freya's total reversionary income stream payment from 1 January 2018 is \$50,000.

Reversionary income in excess of the reduced cap of \$15,041 is \$34,959.

Calculate Freya's withholding on her reversionary income stream

Step 1 Calculate the fortnightly tax-free component and taxed element in excess of the reduced cap.

$\$40,000 - \$15,041 = \$24,959$

Freya is paid fortnightly from 1 January 2018, therefore:

$\$24,959/13 = \$1,919$ (ignoring cents)

Step 2 Divide the amount calculated at step 1 by two.

$\$1,919 / 2 = \959 (ignoring cents)

Step 3 Add the untaxed element fortnightly payments.

$\$10,000 / 13 = \769

Step 4 Add the amounts calculated at step 2 and step 3

$\$959 + \769

$= \$1,728$

Step 5 Use the [Fortnightly tax table](#) to calculate the withholding amount relevant to the amount worked out in step 4.

Freya recognises that she has multiple taxable income streams and therefore has not claimed the tax-free threshold on her reversionary income stream payment, as such the withholding amount on \$1,728 is \$514.

Step 6 As the reversionary income stream tax-free and taxed element components totalled more than Freya's reduced defined benefit income cap, she is not entitled to a tax offset.

PAYG payment summary reporting

Freya will receive two *PAYG payment summaries - superannuation income stream*:

(1) PAYG payment summary - superannuation income stream (personal income stream)

Applicable dates: 01/07/2017- 30/06/2018

Tax withheld \$3,276

Taxable component - taxed element \$60,000

Taxable component - untaxed element \$0

Tax-free component - \$10,000

Tax offset - \$9,000

(2) PAYG payment summary - superannuation income stream (reversionary income stream)

Applicable dates: 01/01/2018 - 30/06/2018

Tax withheld \$6,682

Taxable component - taxed element \$30,000

Taxable component - untaxed element \$10,000

Tax-free component - \$10,000

As the source of this income stream was from an income stream that was subject to concessional tax treatment, no tax offset should be provided on the payment summary. The ATO will calculate any entitlement to a tax offset upon assessment.

Super death benefits

Dependants

Dependants include all children of the deceased under 18 years old, 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**.

Non-dependants

A person who is not a dependant of the deceased is not able to receive a super income stream from the deceased. 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.

Reversionary income streams

A death benefit income stream can either be a reversionary or non-reversionary. A reversionary death benefit income stream is a superannuation income stream that reverts to the reversionary beneficiary automatically upon the member's death, if the death benefit payment is not a reversionary income stream then it is treated the same as if it was the member's income stream.

Defined benefit income cap

The defined benefit income cap is relevant where the payee is:

(a) 60 years or over, or

(b) under 60 years of age and a death benefits dependant, where the deceased died at 60 years of age or over.

The defined benefit income cap applies, if the payee receives one or more superannuation income stream benefits that are 'defined benefit income' to which 'concessional tax treatment' applies. The defined benefit income cap does not have taxation consequences outside of these circumstances.

The defined benefit income cap is an annual cap that is reset, and may be reduced, each year. From 1 July 2017, the 'defined benefit income cap' limits the amount of tax-free income the payee can receive from a capped defined benefit income stream (pension or annuity).

For the 2017–18 income year, the defined benefit income cap will be \$100,000 (the \$1.6 million general transfer balance cap divided by 16).

For further information refer to [LCG 2017/1](#).

Preservation age

The withholding amount varies depending on whether the payee has reached their preservation age when the payment is made.

Preservation age is determined using your payee's date of birth. For example, if a member was born on 1 October 1960, they will reach their preservation age of 56 on 1 October 2016. The table below will help with this:

Preservation age by date of birth range

f. Date of birth	g. 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

Cap conversion table

The full year cap on defined benefit income streams is \$100,000 as of 1 July 2017, and is subject to indexation. The cap can also be reduced - see [part E](#).

The table below converts the \$100,000 cap into the weekly, fortnightly or monthly equivalent.

Total income stream	Annual amount less than \$100,000	Annual amount \$100,000 or greater
Weekly equivalent	\$1 to \$1,923	\$1,924 or greater
Fortnightly equivalent	\$1 to \$3,846	\$3,847 or greater
Monthly equivalent	\$1 to \$8,333	\$8,334 or greater

Payment summaries

You must issue a [PAYG payment summary – superannuation income stream](#) to the member for the total of the payments made in the financial year. This must be provided by 14 July. This date may be earlier if the payee requests it.

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

During the year that a payee turns 60 you must issue two separate payment summaries - one for the period prior to the payee turning 60 and one for the period from the payee's 60th birthday.

A payment summary is required to be issued to a payee in receipt of a super income stream even if no tax was withheld.

See also:

Payment summary information and reporting specifications on our [Software developers](#) website

Schedule 15: Tax table for working holiday makers

For payments made on or after 1 July 2017

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.

Using this table

This table applies to payments to individuals – including backpackers – who are working in Australia and holds at that time:

- a. Working holiday makers visa (subclass 417), or
- b. Work and holiday makers visa (subclass 462), or
- c. Bridging visa permitting the individual to work in Australia if:
 - i. the bridging visa was granted under the *Migration Act 1958* in relation to an application for a visa of a kind described in paragraph (a) or (b); and
 - ii. the Minister administering that Act is still to make a decision in relation to the application; and
 - iii. the most recent visa, other than a bridging visa, granted under that Act to the individual was a visa of a kind described in paragraph (a) or (b).

For all other circumstances you should use the relevant PAYG withholding weekly, fortnightly or monthly tax table.

If you employ individuals under the [Seasonal Worker Program](#), the tax table for working holiday makers does not apply.

Find out about:

- [Working out the withholding amount](#)
- [Registered employer](#)
- [Unregistered employer](#)
- [Using a formula](#)
- [Table A: Working holiday makers income tax rates](#)
- [Rounding of withholding amounts](#)
- [Accounting software](#)
- [TFN declarations](#)
- [PAYG withholding publications](#)

Working out the withholding amount

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

- put the total payments you will make to your employee for the pay period into the [Withholding look-up tool \(XLS, 36KB\)](#)
- use the appropriate column to find the correct amount to withhold
 - **Column 2** if you are registered and total payments you have made to the employee for the income year prior to this payment are less than \$37,001, and the employee has given you a tax file number (TFN)
 - **Column 3** if you are registered and total payments you have made to the employee for the income year prior to this payment are from \$37,001 to \$87,000, and the employee has given you a TFN
 - **Column 4** if you are registered and total payments you have made to the employee for the income year prior to this payment are from \$87,001 to \$180,000, and the employee has given you a TFN
 - **Column 5** if you are registered and total payments you have made to the employee for the income year prior to this payment are more than \$180,000, and the employee has given you a TFN
 - **Column 6** if you are registered and the employee has **not** given you a TFN.

Example 1: Using the Withholding look-up tool

A foreign resident employee is working in Australia under a working holiday makers visa (subclass 417) and has earnings for the week of \$680.70. The employee has provided their TFN on a *Tax file number declaration*, and the total payments you have made to this employee do not exceed \$37,000 for the 2017–18 income year.

To work out the correct amount to withhold, put \$680 into the [Withholding look-up tool \(XLS, 36KB\)](#) (ignore cents).

The tool will automatically calculate the withholding result of \$102 (Column 2, registered employer and employee has given you a TFN).

Registered employer

You need to register with us before you employ a working holiday maker. If you are registered, you will be able to withhold at a flat rate of 15% up to \$37,000 in total payments made to each individual working holiday maker within an income year. Where total payments exceed \$37,000, see [Table A](#) below for the applicable withholding rate.

Next steps:

- [WHM registration tool](#)

Unregistered employer

If you have not registered with us to withhold at working holiday maker tax rates, you are required to withhold at foreign resident rates as specified in the [tax tables](#) for weekly, fortnightly or monthly payments.

Using a formula

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

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

- y is the amount to be withheld expressed in dollars
- x is total payment made to the employee for the pay period, ignoring any cents
- a is the value of the coefficient as shown in Table A.

Table A: Working holiday makers income tax rates

The following tax rates for 2017–18 apply for working holiday makers holding a subclass 417 or 462 visa from 1 July 2017.

Table A: Working holiday makers income tax rates for 2017–18

Taxable income	Tax rate	Value (a)
\$0–\$37,000	15% on each \$1 up to \$37,000	0.15
\$37,001–\$87,000	32.5% on each \$1 over \$37,000 to \$87,000	0.325
\$87,001–\$180,000	37% on each \$1 over \$87,000 to \$180,000	0.37
\$180,001 and over	45% on each \$1 over \$180,000	0.45

If no TFN is provided you must withhold at 45% on total payments made. If using formulas, the value of 'a' is 0.45.

Example 2: Using the formula

A foreign resident employee is working in Australia under a work and holiday makers visa (subclass 462) and has earnings for the month of \$2,825.75.

The employee has provided their TFN on a *Tax file number declaration*, and total payments you have made to this employee for the income year do not exceed \$37,000.

$x = 2,825$ (ignoring cents)

Withholding amount (y)

$= (a \times x)$

$= 0.15 \times 2825$

$= 423.75$ or \$424.00 (rounded to nearest dollar)

Example 3: When payments exceed \$37,000

A foreign resident employee is working in Australia under a working holiday makers visa (subclass 417) and has earnings for the month of May 2018 of \$3,570.20.

The employee has provided their TFN on a *Tax file number declaration* and the total payments you have made to this employee from January 2018 to April 2018, in the 2017–18 income year, is \$38,500. Last month's payment resulted in total payments exceeding \$37,000. Therefore, from the next pay you must withhold at the foreign resident tax rates specified in [Table A](#).

Withholding is calculated at 32.5c for every dollar of earnings over \$37,000 (to \$87,000)

Current pay = \$3,570.20

The value of 'a' in the formula is 0.325.

Withholding = 0.325 x 3570

= 1,160.25 or \$1,160.00 (rounded to the nearest dollar)

Rounding of withholding amounts

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

Where withholding is calculated on the top marginal rate of tax or when no TFN is provided, ignore cents in the withholding result.

Accounting software

Software written in accordance with the formulas in this tax table should be tested for accuracy against the [Withholding look-up tool \(XLS, 36KB\)](#). 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.

TFN declarations

Your employee may indicate that they are a working holiday maker in their TFN declaration.

Even if they don't, you will need to withhold amounts using the rates shown in [Table A](#) (provided they have given you a valid TFN).

This applies to:

- a. Working holiday makers visa (subclass 417), or
- b. Work and holiday makers visa (subclass 462), or
- c. Bridging visa permitting the individual to work in Australia if:
 - i. the bridging visa was granted under the *Migration Act 1958* in relation to an application for a visa of a kind described in paragraph (a) or (b); and
 - ii. the Minister administering that Act is still to make a decision in relation to the application; and

iii. the most recent visa, other than a bridging visa, granted under that Act to the individual was a visa of a kind described in paragraph (a) or (b).

To confirm the visa status of a working holiday maker, go to the Department of Immigration and Border Protection's [Visa Entitlement Verification Online \(VEVO\)](#) webpage. This is where you can check visa details and conditions.

Working holiday makers cannot claim tax offsets. If they have claimed a tax offset on the *Tax file number declaration*, do not adjust the amount you withhold.

If a TFN has not been provided

You must withhold 45% from payments to a working holiday maker (ignoring cents), if:

- 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* that they have lodged a [Tax file number – application or enquiry for individuals](#) 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 45% from any payment you make unless we tell you not to.