

Weekly tax table

Incorporating Medicare levy with and without leave loading



**FOR PAYMENTS MADE ON
OR AFTER 1 JULY 2010.**



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



For more information:

- visit www.ato.gov.au
- use the PAYG tax withheld calculator on our website to calculate tax to withhold from payments made to payees.



WHO SHOULD USE THIS TABLE?

Use this table if you make any of the following payments on a weekly basis:

- salary, wages, allowances and leave loading to employees
- paid parental leave to an eligible worker
- director's fees
- salary and allowances 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
- Commonwealth 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).

Also use this table for payments to foreign residents. See page 3 for more information.

- ❗ Some payees (shearers, fruit and vegetable harvesters, performing artists and those engaged on a daily or casual basis) may be subject to different withholding arrangements.

There are also special arrangements for withholding from payments made under voluntary agreements.

- For more information on other tax tables, see *PAYG withholding essentials* at www.ato.gov.au

USING FORMULAS

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

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

WHEN THERE ARE 53 PAY PERIODS IN A FINANCIAL YEAR

In some years you may pay your payees 53 times instead of the usual 52. As this table is based on 52 pays, the extra pay may result in insufficient amounts being withheld. Tell your payees when this occurs so those who are concerned about a shortfall can ask you to withhold the additional amounts shown in the table below:

Weekly earnings \$	Additional withholding \$
675 to 1,549	2
1,550 to 3,449	4
3,450 & over	9

TAX FILE NUMBER (TFN) DECLARATIONS

The answers payees provide on a *Tax file number declaration* (NAT 3092) primarily determine the amount to be withheld from payments. A *Tax file number declaration* applies to payments made after the declaration is provided to you. A later declaration provided by a payee overrides an earlier declaration.

If a payee does not give you a valid *Tax file number declaration* within **14 days** of starting a payer/payee relationship, you must fill in a *Tax file number declaration* with all available details of the payee and send it to the Australian Taxation Office (ATO).

If you have *Employment declarations* that were valid at 30 June 2000, they will continue to be valid under PAYG.

NO TFN PROVIDED

You must withhold at the top rate of tax plus the Medicare levy from a payment (ignoring any cents) if you make a payment to a payee and the payee **has not**:

- quoted their TFN
- claimed an exemption from quoting, or
- advised that they have applied for a TFN or have made an enquiry with the ATO.

If a payee states at question 1 of the *Tax file number declaration* that they have lodged a *Tax file number application or enquiry* with the ATO, the payee has **28 days** to give you their TFN.

If the payee has not given you their TFN within **28 days**, you must withhold at the top rate of tax plus the Medicare levy from the total amount of all payments made to the payee (ignoring any cents) unless the ATO tells you not to.

- ❗ Do not allow for any tax offsets or Medicare levy adjustment. Do not add amounts for Higher Education Loan Program (HELP) or Student Financial Supplement Scheme (SFSS).

WITHHOLDING DECLARATIONS

A payee may use a *Withholding declaration* to advise their entitlement to a tax offset, which they choose to claim through reduced withholding. See page 3 for more information.

Payees can also use *Withholding declarations* to advise you of changes to their situation since providing a valid *Tax file number declaration*, which may affect the amount to be withheld from their payments.

Changes which may affect the amount to be withheld 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 or SFSS debt, or changes to them
- entitlement to a senior Australians tax offset, and
- upward variation to increase the rate or amount to be withheld.

A *Withholding declaration* takes effect from the first payment you make after the payee has provided the declaration. A later declaration provided by a payee overrides an earlier declaration.

- ❗ A valid *Tax file number declaration* (or *Employment declaration*) must be in place before a payee can authorise you to vary their withholding by providing a *Withholding declaration*.

MEDICARE LEVY ADJUSTMENT

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

Some payees may be liable for an increased rate of Medicare levy or the Medicare levy surcharge as a result of new income tests. These payees can lodge a *Medicare levy variation declaration*, requiring you to increase the amount to be withheld from payments you make to them.

- For instructions on how to work out the Medicare levy adjustment, use the *PAYG withholding – Medicare levy adjustment weekly tax table* (NAT 1010).

ALLOWANCES

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

- Refer to *PAYG bulletin no. 1 – Taxing of allowances for the 2000/01 and future income years*.

FOREIGN RESIDENTS

Foreign resident tax rates apply where a payee has answered 'NO' to the question 'Are you an Australian resident for tax purposes?' on their *Tax file number declaration*.

There are two ways to withhold from the earnings of a foreign resident:

- if the payee has not given you a valid TFN, you need to withhold at the top rate of tax for each \$1 of earnings (ignoring any cents) or
- if the payee has given you a valid TFN, withhold the amount calculated from 'Foreign resident tax rates' below, rounding any cents to the nearest dollar.

Foreign resident tax rates

Weekly earnings \$	Weekly rate
0 to 712	29 cents for each dollar of earnings
713 to 1,538	\$206 plus 30 cents for each \$1 of earnings over \$712
1,539 to 3,462	\$454 plus 37 cents for each \$1 of earnings over \$1,538
3,463 & over	\$1,166 plus 45 cents for each \$1 of earnings over \$3,462

Non-resident payees generally cannot claim tax offsets. They may be entitled to claim a zone or overseas forces offset in limited circumstances. If a non-resident payee has claimed any tax offsets on the *Tax file number declaration*, do not make any adjustments to the amount to be withheld.

HELP AND SFSS DEBTS

Individuals with an accumulated HELP or Student Financial Supplement Scheme (SFSS) debt may be required to have additional amounts withheld from payments you make to them. A payee with a HELP or SFSS debt will notify you of this on their *Tax file number declaration* or *Withholding declaration*.

- Use *PAYG withholding – HELP weekly tax table* (NAT 2173) to calculate additional withholding amounts for HELP debts.
Use *PAYG withholding – SFSS weekly tax table* (NAT 3306) to calculate additional withholding amounts for SFSS debts.
- ❗ Do not add amounts for HELP or SFSS when no TFN has been provided.

HOLIDAY PAY, LONG SERVICE LEAVE AND EMPLOYMENT TERMINATION PAYMENTS

Payees who continue working for you

For withholding purposes 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. Payment for leave loading is subject to withholding if it exceeds the current threshold of **\$320**. Only that part of the payment which exceeds this threshold should be subject to withholding, unless your payee asks you to withhold from the full amount.

- Refer to *PAYG withholding – calculation sheet – holiday and long service leave payments for continuing employment* (Index No. 6209).

Payees who cease working for you

Lump sum payments made when a payee ceases working for you are not covered by this table.

If a payee has unused annual leave, leave loading or long service leave, see *PAYG withholding – Tax table for unused leave payments on termination of employment* (NAT 3351).

Any other payments made may be employment termination payments and you should refer to *PAYG withholding – Tax table for employment termination payments* (NAT 70980).

- ❗ Do not withhold any amount for HELP or SFSS debts from lump sum termination payments.

WITHHOLDING AMOUNTS FOR LOW INCOME PAYEES

Withholding amounts have been adjusted to allow payees who are eligible for the low income tax offset (LITO) to receive half of their entitlement through decreased withholding. If the payee is eligible, they will receive the balance of their entitlement when they lodge their tax return.

From 1 July 2010, the maximum amount of LITO will increase from \$1,350 to \$1,500.

FAMILY TAX BENEFIT (FTB)

Family tax benefit can no longer be claimed through the tax system. FTB claims should be made through the Family Assistance Office.

TAX OFFSETS

Payees who choose to claim their entitlement to a tax offset through reduced withholding, must provide you with a *Withholding declaration*. Tax offsets include:

- dependent spouse
- zone
- parent, spouse's parent or invalid relative
- housekeeper, and
- child-housekeeper.

Use the 'Ready reckoner for tax offsets' on page 4 to convert the payee's annual tax offset entitlement into a weekly value. Deduct this amount from the amount shown in column 2 or 3 of the table beginning on page 5.

- ❗ Do not allow for any tax offsets if using column 4 or foreign resident rates, or when no TFN has been provided.

EXAMPLE

A payee has weekly earnings of \$563 and, if using column 2, the amount to be withheld is \$63.

The payee claims a tax offset entitlement of \$1,000 on their *Withholding declaration*.

Use the 'Ready reckoner for tax offsets' on page 4 to find the weekly value of \$19.

The total amount to be withheld is worked out as follows:

Amount to be withheld on \$563	\$63.00
Deduct weekly value	\$19.00
Total amount to be withheld	\$44.00

HOW TO WORK OUT WITHHOLDING AMOUNTS

- 1 Add any allowances and irregular payments that are to be included in this week's pay to the normal weekly earnings, ignoring any cents.
 - 2 Find the payee's total weekly earnings in **column 1**.
 - 3 Use the appropriate column to find the correct amount to be withheld. If the payee is:
 - claiming the tax-free threshold and is entitled to a leave loading, use **column 2**
 - claiming the tax-free threshold and is not entitled to a leave loading, use **column 3**, or
 - not claiming the tax-free threshold, whether or not entitled to a leave loading, use **column 4**.
 - 4 If the payee has an end-of-year entitlement to a tax offset, use the 'Ready reckoner for tax offsets' shown below to convert the payee's estimate of their full-year entitlement into a weekly value. Then subtract this value from the withholding amount found in step 3.
 - 5 If the payee is entitled to make an adjustment for the Medicare levy, subtract the value of the adjustment, determined from the *PAYG withholding – Medicare levy adjustment weekly tax table* (NAT 1010), from the amount found in step 4.
 - 6 If the payee has advised you of a HELP or SFSS debt, add the amount determined from the *PAYG withholding – HELP weekly tax table* (NAT 2173) or *PAYG withholding – SFSS weekly tax table* (NAT 3306) to the amount you calculated in step 5.
- ❗ If you use column 4 or foreign resident tax rates, or no TFN has been provided, do not allow for any tax offsets or Medicare levy adjustment.

EXAMPLE

A payee has weekly earnings of \$563.60.

To work out the correct amount to withhold, ignore cents, use column 1 and find \$563.

If the payee is:

- claiming the tax-free threshold and is entitled to a leave loading, use column 2 to find the correct amount to withhold = \$63.
- claiming the tax-free threshold and is not entitled to a leave loading, use column 3 to find the correct amount to withhold = \$62.
- not claiming the tax-free threshold, whether or not entitled to a leave loading, use column 4 to find the correct amount to withhold = \$129.

Resident income tax rates from 1 July 2010 (not including Medicare levy)

Taxable income range \$	Tax rate %
0 to 6,000	0
6,001 to 37,000	15
37,001 to 80,000	30
80,001 to 180,000	37
Greater than 180,000	45

PAYG WITHHOLDING PUBLICATIONS

All PAYG withholding tax tables and other PAYG publications can be accessed quickly and easily from www.ato.gov.au

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

READY RECKONER FOR TAX OFFSETS

Amount claimed \$	Weekly value \$								
1	—	20	—	200	4.00	1000	19.00	1800	34.00
2	—	30	1.00	300	6.00	1100	21.00	1900	36.00
3	—	40	1.00	338	6.00	1173	22.00	2000	38.00
4	—	50	1.00	400	8.00	1200	23.00	2286	43.00
5	—	57	1.00	500	10.00	1300	25.00	2500	48.00
6	—	60	1.00	600	11.00	1400	27.00	3000	57.00
7	—	70	1.00	700	13.00	1500	29.00		
8	—	80	2.00	800	15.00	1600	30.00		
9	—	90	2.00	839	16.00	1676	32.00		
10	—	100	2.00	900	17.00	1700	32.00		

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

Example: Tax offsets of \$422 claimed. Add values of \$400, \$20 and \$2 = \$8.00 + \$0.00 + \$0.00 = \$8.00.
Therefore, reduce the amount to be withheld by \$8.00.

WEEKLY TAX TABLE

Weekly earnings	Amount to be withheld			Weekly earnings	Amount to be withheld			Weekly earnings	Amount to be withheld			Weekly earnings	Amount to be withheld		
	With tax-free threshold with leave loading	With tax-free threshold no leave loading	No tax-free threshold		With tax-free threshold with leave loading	With tax-free threshold no leave loading	No tax-free threshold		With tax-free threshold with leave loading	With tax-free threshold no leave loading	No tax-free threshold		With tax-free threshold with leave loading	With tax-free threshold no leave loading	No tax-free threshold
1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1	—	—	—	81	—	—	13.00	161	—	—	27.00	241	5.00	5.00	40.00
2	—	—	—	82	—	—	14.00	162	—	—	27.00	242	6.00	5.00	40.00
3	—	—	—	83	—	—	14.00	163	—	—	27.00	243	6.00	5.00	40.00
4	—	—	1.00	84	—	—	14.00	164	—	—	27.00	244	6.00	6.00	40.00
5	—	—	1.00	85	—	—	14.00	165	—	—	27.00	245	6.00	6.00	40.00
6	—	—	1.00	86	—	—	14.00	166	—	—	27.00	246	6.00	6.00	41.00
7	—	—	1.00	87	—	—	14.00	167	—	—	28.00	247	6.00	6.00	41.00
8	—	—	1.00	88	—	—	15.00	168	—	—	28.00	248	7.00	6.00	41.00
9	—	—	1.00	89	—	—	15.00	169	—	—	28.00	249	7.00	6.00	41.00
10	—	—	2.00	90	—	—	15.00	170	—	—	28.00	250	7.00	6.00	41.00
11	—	—	2.00	91	—	—	15.00	171	—	—	28.00	251	7.00	7.00	41.00
12	—	—	2.00	92	—	—	15.00	172	—	—	28.00	252	7.00	7.00	42.00
13	—	—	2.00	93	—	—	15.00	173	—	—	29.00	253	7.00	7.00	42.00
14	—	—	2.00	94	—	—	16.00	174	—	—	29.00	254	7.00	7.00	42.00
15	—	—	2.00	95	—	—	16.00	175	—	—	29.00	255	8.00	7.00	42.00
16	—	—	3.00	96	—	—	16.00	176	—	—	29.00	256	8.00	7.00	42.00
17	—	—	3.00	97	—	—	16.00	177	—	—	29.00	257	8.00	8.00	42.00
18	—	—	3.00	98	—	—	16.00	178	—	—	29.00	258	8.00	8.00	43.00
19	—	—	3.00	99	—	—	16.00	179	—	—	30.00	259	8.00	8.00	43.00
20	—	—	3.00	100	—	—	16.00	180	—	—	30.00	260	8.00	8.00	43.00
21	—	—	3.00	101	—	—	17.00	181	—	—	30.00	261	8.00	8.00	43.00
22	—	—	4.00	102	—	—	17.00	182	—	—	30.00	262	9.00	8.00	44.00
23	—	—	4.00	103	—	—	17.00	183	—	—	30.00	263	9.00	8.00	44.00
24	—	—	4.00	104	—	—	17.00	184	—	—	30.00	264	9.00	9.00	44.00
25	—	—	4.00	105	—	—	17.00	185	—	—	31.00	265	9.00	9.00	44.00
26	—	—	4.00	106	—	—	17.00	186	—	—	31.00	266	9.00	9.00	44.00
27	—	—	4.00	107	—	—	18.00	187	—	—	31.00	267	9.00	9.00	45.00
28	—	—	5.00	108	—	—	18.00	188	—	—	31.00	268	10.00	9.00	45.00
29	—	—	5.00	109	—	—	18.00	189	—	—	31.00	269	10.00	9.00	45.00
30	—	—	5.00	110	—	—	18.00	190	—	—	31.00	270	10.00	9.00	45.00
31	—	—	5.00	111	—	—	18.00	191	—	—	32.00	271	10.00	10.00	46.00
32	—	—	5.00	112	—	—	18.00	192	—	—	32.00	272	10.00	10.00	46.00
33	—	—	5.00	113	—	—	19.00	193	—	—	32.00	273	10.00	10.00	46.00
34	—	—	6.00	114	—	—	19.00	194	—	—	32.00	274	10.00	10.00	46.00
35	—	—	6.00	115	—	—	19.00	195	—	—	32.00	275	11.00	10.00	46.00
36	—	—	6.00	116	—	—	19.00	196	—	—	32.00	276	11.00	10.00	47.00
37	—	—	6.00	117	—	—	19.00	197	—	—	33.00	277	11.00	11.00	47.00
38	—	—	6.00	118	—	—	19.00	198	—	—	33.00	278	11.00	11.00	47.00
39	—	—	6.00	119	—	—	20.00	199	—	—	33.00	279	11.00	11.00	47.00
40	—	—	7.00	120	—	—	20.00	200	—	—	33.00	280	11.00	11.00	48.00
41	—	—	7.00	121	—	—	20.00	201	—	—	33.00	281	12.00	11.00	48.00
42	—	—	7.00	122	—	—	20.00	202	—	—	33.00	282	12.00	11.00	48.00
43	—	—	7.00	123	—	—	20.00	203	—	—	33.00	283	12.00	11.00	48.00
44	—	—	7.00	124	—	—	20.00	204	—	—	34.00	284	12.00	12.00	48.00
45	—	—	7.00	125	—	—	21.00	205	—	—	34.00	285	12.00	12.00	49.00
46	—	—	8.00	126	—	—	21.00	206	—	—	34.00	286	12.00	12.00	49.00
47	—	—	8.00	127	—	—	21.00	207	—	—	34.00	287	12.00	12.00	49.00
48	—	—	8.00	128	—	—	21.00	208	—	—	34.00	288	13.00	12.00	49.00
49	—	—	8.00	129	—	—	21.00	209	1.00	—	34.00	289	13.00	12.00	50.00
50	—	—	8.00	130	—	—	21.00	210	1.00	—	35.00	290	13.00	12.00	50.00
51	—	—	8.00	131	—	—	22.00	211	1.00	1.00	35.00	291	13.00	13.00	50.00
52	—	—	9.00	132	—	—	22.00	212	1.00	1.00	35.00	292	13.00	13.00	50.00
53	—	—	9.00	133	—	—	22.00	213	1.00	1.00	35.00	293	13.00	13.00	50.00
54	—	—	9.00	134	—	—	22.00	214	1.00	1.00	35.00	294	13.00	13.00	51.00
55	—	—	9.00	135	—	—	22.00	215	2.00	1.00	35.00	295	14.00	13.00	51.00
56	—	—	9.00	136	—	—	22.00	216	2.00	1.00	36.00	296	14.00	13.00	51.00
57	—	—	9.00	137	—	—	23.00	217	2.00	2.00	36.00	297	14.00	14.00	51.00
58	—	—	10.00	138	—	—	23.00	218	2.00	2.00	36.00	298	14.00	14.00	52.00
59	—	—	10.00	139	—	—	23.00	219	2.00	2.00	36.00	299	14.00	14.00	52.00
60	—	—	10.00	140	—	—	23.00	220	2.00	2.00	36.00	300	14.00	14.00	52.00
61	—	—	10.00	141	—	—	23.00	221	2.00	2.00	36.00	301	15.00	14.00	52.00
62	—	—	10.00	142	—	—	23.00	222	3.00	2.00	37.00	302	15.00	14.00	52.00
63	—	—	10.00	143	—	—	24.00	223	3.00	2.00	37.00	303	15.00	14.00	53.00
64	—	—	11.00	144	—	—	24.00	224	3.00	3.00	37.00	304	15.00	15.00	53.00
65	—	—	11.00	145	—	—	24.00	225	3.00	3.00	37.00	305	15.00	15.00	53.00
66	—	—	11.00	146	—	—	24.00	226	3.00	3.00	37.00	306	15.00	15.00	53.00
67	—	—	11.00	147	—	—	24.00	227	3.00	3.00	37.00	307	15.00	15.00	53.00
68	—	—	11.00	148	—	—	24.00	228	3.00	3.00	38.00	308	16.00	15.00	54.00
69	—	—	11.00	149	—	—	25.00	229	4.00	3.00	38.00	309	16.00	15.00	54.00
70	—	—	12.00	150	—	—	25.00	230	4.00	3.00	38.00	310	16.00	15.00	54.00
71	—	—	12.00	151	—	—	25.00	231	4.00	4.00	38.00	311	16.00	16.00	54.00
72	—	—	12.00	152	—	—	25.00	232	4.00	4.00	38.00	312	16.00	16.00	55.00
73	—	—	12.00	153	—	—	25.00	233	4.00	4.00	38.00	313	16.00	16.00	55.00
74	—	—	12.00	154	—	—	25.00	234	4.00	4.00	39.00	314	17.00	16.00	55.00
75	—	—	12.00	155	—	—	26.00	235	5.00	4.00	39.00	315	17.00	16.00	55.00
76	—	—	13.00	156	—	—	26.00	236	5.00	4.00	39.00	316	17.00	16.00	55.00
77	—	—	13.00	157	—	—	26.00	237	5.00	5.00	39.00	317	17.00	17.00	56.00
78	—	—	13.00	158	—	—	26.00	238	5.00	5.00	39.00	318	17.00	17.00	56.00
79	—	—	13.00	159	—	—	26.00	239	5.00	5.00	39.00	319	17.00	17.00	56.00
80	—	—	13.00	160	—	—	26.00	240	5.00	5.00	40.00	320	17.00	17.00	56.00

