

Withholding declaration

Who should complete this declaration?

You should complete this declaration if you want:

- your payer to adjust the amount withheld from payments made to you
- to advise your payer of a change to information you previously provided in a *Tax file number declaration* (NAT 3092).

! These instructions are current to **30 June 2018**.

You must lodge a new declaration if either:

- you leave your current payer and start to receive payments from a new payer
- your circumstances change.

! If you give the wrong information, you may have a tax debt at the end of the income year.

Is this the right form for you?

Complete this declaration if the following applies:

- you have completed a *Tax file number declaration* (NAT 3092) with your current payer and you now want to
 - advise your payer that you have become, or ceased to be, an Australian resident for tax purposes
 - claim or discontinue claiming the tax-free threshold
 - advise your payer of your Higher Education Loan Program (HELP), Student Start-up Loan (SSL), Trade Support Loan (TSL) or Financial Supplement repayment obligations, or make changes to them
 - claim your entitlement, or vary your entitlement to a tax offset (including the seniors and pensioners tax offset [SAPTO]).

Downward variation

You can apply to reduce the rate or amount of withholding if you believe you will have too much tax withheld from your pay for the year. To apply, you must complete a *PAYG withholding variation application 2018* (NAT 2036) and send it to us.

Upward variation

If you want to increase the rate or amount of withholding from your pay you can now do so by providing a written request to your payer. Refer to *Upward variations* on our website at ato.gov.au



How to complete this form

Section A: Payee's declaration

Questions 1 and 2

Complete with your personal information.

Question 3

What is your tax file number (TFN)?

We and your payer are authorised by the *Taxation Administration Act 1953* to request your tax file number (TFN). It is not an offence not to quote your TFN. However, quoting your TFN reduces the risk of administrative errors and having extra tax withheld. Your payer is required to withhold the top rate of tax from all payments made to you if you do not provide your TFN or claim an exemption from quoting your TFN.

How do you find your TFN?

You can find your TFN on any of the following:

- your income tax notice of assessment
- correspondence we send you
- a payment summary your payer issues to you.

If you have a tax agent, they may also be able to tell you your TFN.

If you still can't find your TFN, you can:

- phone us on **13 28 61** between 8.00am and 6.00pm, Monday to Friday
- visit your nearest shopfront (phone us on **13 28 61** to make an appointment)
- complete a *Tax file number – application or enquiry for individuals* (NAT 1432).

If you phone or visit us we need to know we are talking to the correct person before discussing your tax affairs. We will ask you for details only you, or your authorised representative would know.

Print **X** in the appropriate box if you:

- have lodged a *Tax file number – application or enquiry for individuals* (NAT 1432) or made a phone or counter enquiry to obtain your TFN
- are claiming an exemption from quoting a TFN. You are exempt from quoting your TFN if you meet any of the following conditions
 - you are under 18 years of age and do not earn enough to pay tax

- you receive certain Centrelink pensions, benefits or allowances or a service pension from the Department of Veterans' Affairs. However you will need to quote your TFN if you receive Austudy, Newstart, sickness or parenting allowance
- you receive benefits from the Military Rehabilitation and Compensation Commission.

➤ Find out more

Refer to *Tax file number* on our website at ato.gov.au

Question 4

Are you an Australian resident for tax purposes?

Generally, we consider you to be an Australian resident for tax purposes if you:

- have always lived in Australia or you have come to Australia and now live here permanently
- are an overseas student doing a course that takes more than six months to complete
- migrate to Australia and intend to reside here permanently.

If you go overseas temporarily and do not set up a permanent home in another country, you may continue to be treated as an Australian resident for tax purposes.

⊖ Foreign resident tax rates are different

A higher rate of tax applies to a foreign resident's taxable income and foreign residents are not entitled to a tax-free threshold nor can they claim tax offsets to reduce withholding, unless you are in receipt of an Australian Government pension or allowance.

- To check your Australian residency status for tax purposes or for more information visit ato.gov.au/residency

Answer **no** to this question if you are not an Australian resident for tax purposes, unless you are in receipt of an Australian government pension or allowance. If your answer here is **no**, you must also answer **no** to question 5.

Question 5

Are you claiming or do you want to claim the tax-free threshold from this payer?

The tax-free threshold (\$18,200 at 1 July 2017) is the amount of income you can earn each financial year that is not taxed. By claiming the threshold, you reduce the amount of tax that is withheld from your pay during the year.

Answer **yes** if you want to claim the tax-free threshold, you are an Australian resident for tax purposes and one of the following applies:

- you are not currently claiming the tax-free threshold from another payer
- you are currently claiming the tax-free threshold from another payer and your total income from all sources will be \$18,200 or less.

Answer **yes** if you are a foreign resident in receipt of an Australian government pension or allowance.

Otherwise answer **no**.

! If you receive any taxable government payments or allowances such as Newstart, Austudy or Youth Allowance, you are likely to be already claiming the tax-free threshold from that payment.

> For information about claiming the tax-free threshold, which payer you should claim it from or how to vary your withholding rate, visit ato.gov.au/taxfreethreshold

Question 6(a)

Do you have a Higher Education Loan Program (HELP), Student Start-up Loan (SSL) or Trade Support Loan (TSL) debt?

Answer **yes** if you have a HELP, SSL or TSL debt.

Answer **no** if you do not have a HELP, SSL or TSL debt, or you have repaid your debt in full.

- ! You have a HELP debt if either:
- the Australian Government lent you money under HECS-HELP, FEE-HELP, OS-HELP, VET FEE-HELP or SA-HELP
 - you have a debt from the previous Higher Education Contribution Scheme (HECS).

Student Start-up Loan (SSL) debts include ABSTUDY SSL debts.

Question 6(b)

Do you have a Financial Supplement debt?

Answer **yes** if you have a Financial Supplement debt.

Answer **no** if you do not have a Financial Supplement debt or you have repaid your Financial Supplement debt in full.

> Find out more

Information about HELP, SSL, TSL and Financial Supplement debts:

- visit ato.gov.au/getloaninfo
- phone us on **13 28 61** between 8.00am and 6.00pm, Monday to Friday.

Question 7

Do you want to claim or vary your tax offset entitlement by reducing the amount withheld from payments made to you?

There are two categories of tax offsets in this section at this question:

- a invalid or invalid carer tax offset
- b zone or overseas forces tax offset.

> Find out more

Information about calculating your tax offset entitlement:

- visit ato.gov.au/withholdingdecs
- phone us on **13 28 61** between 8.00am and 6.00pm, Monday to Friday.

! Overestimating your entitlement to any of these benefits may result in a tax debt at the end of the year. Similarly, underestimating may lead to a tax refund.

If you cannot estimate your entitlement to certain benefits for the year, you can claim it at the end of the financial year on your tax return.

Question 8

Do you want to claim the seniors and pensioners tax offset (SAPTO) by reducing the amount withheld from payments made to you?

Claim the tax offset from only one payer


You are not entitled to reduce your withholding amounts, or claim the seniors and pensioners tax offset (SAPTO), with more than one payer at the same time.

If you receive income from more than one source and need help with this question, phone 1300 360 221 between 8.00am and 6.00pm, Monday to Friday.

How your income affects the amount of your tax offset

You must meet the eligibility conditions to receive SAPTO. Your rebate income, not your taxable income, determines the amount of SAPTO, if any, you will receive.

Answer **yes** if you are eligible and choose to claim the SAPTO with this payer by reducing the amount withheld from payments made to you during the year.

-  For more information about eligibility for SAPTO:
- visit ato.gov.au/withholdingdecs
 - phone us on **13 28 61** between 8.00am and 6.00pm, Monday to Friday.

Declaration

Make sure that you have signed and dated the declaration. Give your completed declaration to your payer.

Section B: Payer's declaration

This section is to be completed by the payer.

Payer obligations

If you withhold amounts from payments, or are likely to withhold amounts, your payee may give you this form with section A completed. A *Withholding declaration* applies to payments made after the declaration is provided to you. The information provided on this form is used to determine the amount of tax to withhold from payments based on the PAYG withholding tax tables we publish. If your payee gives you another declaration, it overrides any previous one.

More information

Useful products

You can get the following forms and publications from ato.gov.au/onlineordering or by phoning **1300 720 092**:

- *Tax file number declaration* (NAT 3092)
- *Medicare levy variation declaration* (NAT 0929)
- *Withholding declaration – short version for seniors and pensioners* (NAT 5072)
- *Tax file number – application or enquiry for individuals* (NAT 1432)
- *PAYG withholding variation application 2017* (NAT 2036)

For more information about income tests for a number of tax offsets and government benefits, refer to *Income tests* on our website at ato.gov.au

Phone

For personal tax enquiries, phone us on **13 28 61** between 8.00am and 6.00pm, Monday to Friday. You can:

- get help to complete this form
- receive information about
 - HELP, SSL, TSL and Financial Supplement debts
 - claiming the tax-free threshold, Australian residency, zones or special areas
 - qualifying for overseas forces tax offset, entitlement to invalid or invalid carer tax offset, seniors and pensioners tax offset
 - varying your withholding amounts upwards.

For PAYG withholding variation enquiries, phone us on **1300 360 221** between 8.00am and 6.00pm, Monday to Friday. If you have income from more than one source, you can also receive information about claiming the tax offset.

Other services

If you do not speak English well and need help from the ATO, phone the Translating and Interpreting Service on **13 14 50**.

If you are deaf, or have a hearing or speech impairment, phone the ATO through the National Relay Service (NRS) on the numbers listed below:

- TTY users, phone **13 36 77** and ask for the ATO number you need
- Speak and Listen (speech-to-speech relay) users, phone **1300 555 727** and ask for the ATO number you need
- internet relay users, connect to the NRS on relayservice.com.au and ask for the ATO number you need.

If you would like further information about the NRS, phone **1800 555 660** or email helpdesk@relayservice.com.au

Other agencies

Department of Human Services

For help working out your eligibility for a social security or Centrelink pension:

- visit humanservices.gov.au
- phone **13 23 00** between 8.30am and 5.00pm, Monday to Friday.

For advice on how you should claim your family tax benefit:

- visit familyassist.gov.au
- phone **13 61 50** between 8.00am and 8.00pm, Monday to Friday.

Department of Veterans' Affairs

If you are a veteran and not sure whether you are eligible for a payment:

- visit dva.gov.au
- phone **13 32 54** between 8.30am and 5.00pm, Monday to Friday.

Our commitment to you

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

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

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

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

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

This publication was current at **June 2017**.

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Withholding declaration

Complete this declaration to authorise your payer to adjust the amount withheld from payments made to you.

You must provide, or have previously provided, your payer with a completed *Tax file number declaration* (NAT 3092) quoting your tax file number or claiming an exemption from quoting it, before you can make a *Withholding declaration*.

- Refer to the Instructions to help you complete this declaration.
- Print neatly in BLOCK LETTERS.
- Print in the appropriate boxes.

Section A: Payee's declaration

➤ To be completed by payee.

1 What is your name? Title: Mr Mrs Miss Ms Other

Family name

Given names

2 What is your date of birth? / /

3 What is your tax file number (TFN)?

➤ For information about tax file numbers, see instructions.

If you have not provided your TFN, indicate if any of the following reasons apply:

- I have lodged a TFN application. I am claiming an exemption because I am a pensioner. I am claiming an exemption because I am under 18 years of age and do not earn enough to pay tax.

4 Are you an Australian resident for tax purposes? Yes No You must answer **no** at question 5.

5 Are you claiming or do you want to claim the tax-free threshold from this payer? Yes No You must answer **no** at questions 7 and 8.

6 (a) Do you have a Higher Education Loan Program (HELP), Student Start-up Loan (SSL) or Trade Support Loan (TSL) debt? Yes No

(b) Do you have a Financial Supplement debt? Yes No

7 Do you want to claim or vary your tax offset by reducing the amount withheld from payments made to you? Yes No

Insert your estimated total tax offset amount. ▶ \$

8 Do you want to claim or vary the seniors and pensioners tax offset entitlement by reducing the amount withheld from payments made to you? Yes No

Are you: single a member of an illness-separated couple a member of a couple

DECLARATION BY PAYEE

Privacy

For information about your privacy, visit our website at ato.gov.au/privacy

- ⊖ The tax laws impose heavy penalties for giving false or misleading statements.

I declare that the information I have given on this form is true and correct.

Signature of payee

Date ^{Day} / ^{Month} / ^{Year}

Section B: Payer's declaration

- To be completed by payer.

YOUR DETAILS

1 What is your Australian business number (ABN) (or your withholding payer number if you are not in business)?

2 What is your registered business name or trading name (or your individual name if you are not in business)?

➤ How much should you withhold?

The payee's answers to questions 4 and 5 will indicate which of the weekly, fortnightly or monthly tax tables you should use as the base rate of withholding.

A **yes** answer at question 6 will require an amount to be withheld as specified in the HELP/SSL/TSL tax tables or Student Financial Supplement Scheme tax tables.

A **yes** answer at question 7 or 8 will generally require a variation of the rate of withholding specified in the tax tables.

DECLARATION BY PAYER

Privacy

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- ⊖ The tax laws impose heavy penalties for giving false or misleading statements.

I declare that the information I have given on this form is true and correct.

Signature of payer

Date ^{Day} / ^{Month} / ^{Year}

Written notice

This declaration will constitute written notice under section 15-15 of Schedule 1 to the *Taxation Administration Act 1953* (TAA 1953) of the Commissioner's approval to vary the amount required to be withheld where:

- the payee has given a completed *Tax file number declaration* to the payer, or they have entered into a voluntary agreement with the payer.
- the payee has notified the payer of the varied rate of withholding in writing on this approved form at section A.

Storing and disposing of withholding declarations

The information in the completed *Withholding declaration* form must be treated as sensitive. Once you have completed, signed and dated the declaration, file the declaration form. **Do not send the declaration to us.**

Under the TFN guidelines in the *Privacy Act 1988*, you must use secure methods when storing and disposing of TFN information. Under tax laws, if a payee submits a new *Withholding declaration* or leaves your employment, you must still keep this declaration for the current and next financial year.

- ⚠ **Do not send this declaration form to us.**

Sensitive (when completed)