

How to complete the *PAYG* payment summary – individual *non-business*

Instructions to help you complete *PAYG* payment
summary – individual non-business (NAT 0046)

WHEN TO USE THIS FORM

Use this form if you make payments to payees who:

- are employees, company directors or office holders
- are religious practitioners
- receive social security or other benefit payments
- receive Commonwealth education or training payments
- receive compensation, sickness or accident payments
- receive non-superannuation income streams, or
- receive return to work payments.

Do not use this form for amounts you have withheld from payments that are:

- under a labour hire arrangement or other specified payment
- under voluntary agreements to withhold
- for supplies where an ABN was not quoted
- superannuation lump sums
- superannuation income streams, or
- employment termination payments (ETP).

Do not use this form where you have paid tax for personal services income attributed to an individual.

➤ To obtain copies of the forms and instructions for each of the above situations, phone our publication ordering service on **1300 720 092** at any time – you must quote your ABN to use this service.



HOW TO COMPLETE THIS FORM

You must:

- write each letter in a separate box
- use a black pen, and
- use BLOCK LETTERS.

You do not have to complete every field. For example, where an amount has not been paid or withheld, leave those boxes blank.

Show all amounts in whole dollars – do not show cents. For example, show an amount of \$122.76 as \$122.

When you send the payment summary to us as part of your PAYG withholding payment summary annual report, send the 'Tax Office original'. We cannot accept photocopies or duplicates.

Avoiding common errors

Do not include amounts you paid as employment termination payments at **TOTAL TAX WITHHELD** and **GROSS PAYMENTS**.

Instead, report employment termination payments on a *PAYG payment summary – employment termination payment* (NAT 70868).

Do not include salary sacrificed amounts at **GROSS PAYMENTS**.

Do not report salary-sacrificed amounts anywhere on the payment summary.

Do not include cents at **Reportable fringe benefits amount**.

Do not show cents at any label. Simply drop the cents from any amount before you enter it on the payment summary.

Do not include living away-from-home allowance at **Allowances**.

Do not report these amounts anywhere on the payment summary because living-away-from-home allowance is exempt income for the payee.

Do not include amounts reported at **Allowances** in **GROSS PAYMENTS**.

If you report an allowance at **Allowances**, do not include it in the amount you report at **GROSS PAYMENTS**.

Do not report negative amounts.

To amend a previous year's payment summary, see **Amending payment summaries** on page 3.

Do not report amounts containing a decimal point.

Do not report cents at any label. Simply drop the cents from any amount before you enter it on the payment summary.

Do not provide a payment summary containing all zeros.

If you have not paid the payee any withholding payments throughout the year, you do not need to give them a payment summary.

At **Payment summary for year ending 30 June**, do not show the year as anything but a four digit figure.

Show the year as a four digit figure. For example, show the year ending 30 June 2008 as 2008 and not 08.

Amending payment summaries

You cannot change the information on a payment summary after you have:

- given it to the payee, or
- provided your PAYG withholding payment summary annual report to us.

If you find a mistake after giving the payment summary to the payee or us, we recommend you complete a new payment summary, marking the **amending a payment summary** box as shown.

Are you **amending a payment summary** you have already sent? If so, place X in this box.

When you complete amended payment summaries you must:

- complete all payee, payment and payer information on each amended payment summary
- send it to us, and
- give a copy to the payee.

You must show the payee and payer information as it was on the original payment summary. You must send the Tax Office copy to the applicable address in the PAYG payment summary statement.

If the payee or payer information was incorrect, do not prepare a new payment summary. Send details of the incorrect and correct information in a letter to us at:

Australian Taxation Office
PO Box 3002
PENRITH NSW 2740

You must also give a copy of the letter to the payee.

Where payment amounts and/or tax withheld amounts have changed, you may also need to complete an amended *PAYG payment summary statement*.

If the payee loses their payment summary, do not issue a new one. Give them a photocopy of your own copy showing all the details from the lost payment summary.

SECTION A: PAYEE DETAILS AND PAYMENTS

Payee's name

Separate the surname or family name from the given name/s and print in the appropriate boxes. For example, show Jane Mary Covers as:

Payee's surname or family name

C O V E R S

Payee's given name/s

J A N E M A R Y

Payee's residential address

You must show the street number and name, suburb/town/locality, state or territory and postcode separately in the boxes provided. For example, show the address 2 Bell St, Ablem WA 6999 as:

Payee's residential address

2 B E L L S T R E E T

Suburb/town/locality

A B L E M

State/territory

W A

Postcode

6 9 9 9

Date of birth (if known)

Provide this information if you have it.

Use the format DDMMYYYY, for example:

Date of birth (if known) 0 1 / 0 5 / 1 9 7 5

Period during which payments were made

Show the period during which the payments were made to the payee. Use the format DDMMYYYY. For example, show the period 25 September 2007 to 4 January 2008 as:

Period during which payments were made

Day	Month	Year	to	Day	Month	Year
2	5	2007	to	0	4	2008

If the payee worked on a casual basis during the year, write the period of the year the payments were made over. If the payee worked on a casual basis over various times for the whole year, show the period as the whole financial year.

You do not need to show the first and last pay dates for the financial year in this field. If the payee has been employed for the entire year, show the period as 1 July 2007 to 30 June 2008.

Payee's tax file number

You must show the tax file number (TFN) the payee quoted in this field. For example, show a nine-character TFN as:

Payee's tax file number

To help us process your form, you must substitute the TFN code with the codes listed below in the following if:

- a new payee has not made a *TFN declaration*, but 28 days have not passed, use 111 111 111.
- the payee is under 18 years of age and earns \$112 or less a week, use 333 333 333.
- the payee is an Australian Government pensioner payee, use 444 444 444.
- the payee chooses not to quote a TFN and has not claimed an exemption from quoting a TFN or does not fit into any of the above categories, use 000 000 000.

Total tax withheld

Show the total tax withheld in whole dollars. For example, show \$12,672.70 as:

TOTAL TAX WITHHELD \$

Gross payments

Include all salary, wages, bonuses and commissions you paid the payee as an employee, company director or office holder. Include the total gross amount before amounts are withheld.

Gross payments also include:

- pensions and annuities
- compensation, and
- sickness or accident pay.

Show the gross payments in whole dollars.

For example, show a gross salary of \$46,844.76 as:

GROSS PAYMENTS (do not include amounts shown under 'Allowances', 'Lump sum payments', 'CDEP payments' and 'Other income')

\$

Also include the following amounts:

- allowances you paid to compensate for specific working conditions and payments for special qualifications or extended hours
- allowances you paid to cover expenses that are not tax deductible to the payee – for example, normal home-to-work transport expenses
- holiday pay or bonuses, and
- amounts you paid for unused long service leave, unused holiday pay and other leave-related payments that accrued after 17 August 1993, except if the amount was paid because the payee ceased employment under an approved early retirement scheme, invalidity or bona fide redundancy (see **Lump sum payments** on page 5).

Do not include amounts that are shown separately as:

- CDEP payments
- allowances
- lump sum payments
- reportable fringe benefits amounts
- return to work payments, or
- other income.

⚠ Do not include amounts that have been salary-sacrificed in **GROSS PAYMENTS**.

Community Development Employment Projects (CDEP) payments

This is the total you have paid to the payee from a CDEP wages grant. You must show this amount in whole dollars. Do not include this amount in **GROSS PAYMENTS**.

Other income

Show any exempt income and/or foreign source salary and wage income you paid to the payee. Do not include this amount in **GROSS PAYMENTS**.

Reportable fringe benefits amount

Complete this section if the total taxable value of certain fringe benefits you provided to the payee in the FBT year (1 April to 31 March) exceeds \$2,000 for the FBT year ended 2008.

You must record the grossed-up taxable value of those benefits on the payee's payment summary for the income year that corresponds with the reportable fringe benefits amount. Do not include cents in this amount. For example, show a reportable fringe benefits amount of \$4,178.85 as:

Reportable fringe benefits amount

FBT year 1 April to 31 March

\$, 4 , 8 .~~XX~~

➤ For more information about the fringe benefits you must include in this section visit our website at www.ato.gov.au and choose 'For Businesses', 'Business home page', 'Operating a business', 'Employer essentials' and 'Fringe benefits tax'.

➤ For more information about calculating grossed-up amounts refer to *Fringe benefits tax for small business* (NAT 8164).

Lump sum payments

Do not include any amount you show at a Lump sum payment field in **GROSS PAYMENTS**. You must show each lump sum payment as the appropriate payment type. For example:

Lump sum A \$, 1 4 , 7 .~~XX~~

Lump sum B \$, 8 , 4 .~~XX~~

Lump sum D \$, , 1 4 4 .~~XX~~

Lump sum E \$, , 8 6 2 .~~XX~~

There are four types of lump sum payments.

A Amounts you paid for:

- unused long service leave that accrued after 15 August 1978 but before 18 August 1993
- unused holiday pay and other leave-related payments that accrued before 18 August 1993, or
- unused long service leave, unused holiday pay and other leave-related payments that accrued after 15 August 1978 if you paid the amount because the payee ceased employment under an approved early retirement scheme, because of invalidity or because of a bona fide redundancy.

For other amounts of unused leave accrued after 17 August 1993, see **Gross payments** on page 4 of these instructions.

B Amounts you paid for unused long service leave that accrued before 16 August 1978.

D The tax-free component of a bona fide redundancy payment or an approved early retirement scheme payment.

E Amounts you paid for back payment of salary and wages that accrued more than 12 months ago or any return to work payments.

You must include all amounts you withheld from lump sum payments in the total tax withheld.

Do not include amounts for employment termination payments that were not rolled over. You must complete a separate payment summary, *PAYG payment summary – employment termination payment* (NAT 70980) for employment termination payments.

➤ For more information about lump sum payments, refer to:

- *Employment termination payments – when an employee leaves* (NAT 71043), and
- *How to withhold from back payments* (NAT 10434).

Allowances

Allowances are payments you made to cover the payee's work-related expenses. For example, tool allowances and motor vehicle allowances, including car expense payments on a cents-per-kilometre basis.

Briefly indicate the type of allowance. Where four or fewer allowances were paid, print them at each of the individual boxes.

! Do not include amounts you paid for living-away-from-home allowance as these amounts are exempt income for the payee.

For example, show four allowances as:

Allowances (provide details)	Amount
CAR	\$ [] [] , [] [] [] [] 2 1 2 0 . X
UNIFORM	\$ [] [] , [] [] [] [] 2 4 0 . X
TOOLS	\$ [] [] , [] [] [] [] 1 4 4 . X
TELEPHONE	\$ [] [] , [] [] [] [] 8 6 2 . X
Total allowances	\$ [] [] , [] [] [] [] 3 3 6 6 . X

If you paid more than four allowances, print VARIOUS and show the sum of the allowances you paid in the **Total allowances** field. Attach a note to the payment summary showing the nature and amount of each allowance.

You must show the total amount of all allowances you paid in the **Total allowances** field. Do not include these amounts in **GROSS PAYMENTS**.

> For further information about an allowance you have paid to your payee, refer to *PAYG bulletin no. 1 – taxing of allowances for the 2000/01 and future income years*, which provides detailed information about taxing allowances.

Union/professional association fees

You must show amounts you paid to unions or professional associations on behalf of the payee in these fields.

For example, show an amount of \$867 to XYZ Union as:

Union/Professional association fees

– Name of organisation

Amount

XYZ UNION \$ [] [] , 8 6 7 . X

If you have made payments to more than two unions or professional associations on behalf of the payee, print VARIOUS in the **Name of organisation** boxes. You must give the payee a list showing the nature and amount of each payment.

You must include these amounts in **GROSS PAYMENTS**.

Workplace giving

Show amounts you paid to deductible gift recipients on behalf of the payee here. For example, show an amount of \$532 to ABC Charity as:

Workplace giving etc –

Name of organisation

Amount

ABC CHARITY \$ [] [] , 5 3 2 . X

If you made payments to more than one deductible gift recipient on behalf of the payee, print VARIOUS in the **Name of organisation box**. You must give the payee a list showing the nature and amount of each payment.

You must include these amounts in **GROSS PAYMENTS**.

SECTION B: PAYER DETAILS

Payer's Australian business number (ABN) or withholding payer number (WPN)

As a payer, you must have either an ABN or WPN.

Show your ABN or WPN as it appears on your activity statement. For example show an ABN of 12 345 678 912 as:

Payer's ABN or withholding payer number (WPN)

1	2	3	4	5	6	7	8	9	1	2
---	---	---	---	---	---	---	---	---	---	---

Branch number

If a business has one ABN but multiple branches, each branch has an individual branch number. Show your branch number in the boxes provided. If you do not have a branch number, leave the boxes blank.

Payer's name

Show your name as it appears on your activity statement. For example, show ABC Pty Ltd as:

Payer's name

A	B	C		P	T	y		L	T	D						
---	---	---	--	---	---	---	--	---	---	---	--	--	--	--	--	--

Signature of authorised person

Only the payer or a person authorised to sign on the payer's behalf can sign. You can print or type the name of the person authorised to sign the form. You must keep details of the authorised person with your records.

AFTER YOU COMPLETE THIS FORM

PAYG payment summary – individual non-business is self-duplicating and includes copies for:

- us
- the payee, and
- the payer.

You must:

- give the payee their copy of this payment summary by 14 July following the end of the financial year you made payments to them in – however, if the payee requests a payment summary from you in writing prior to 9 June, you must provide the payment summary to them within 14 days of receiving their request

- send the Tax Office original copy to us as part of your PAYG withholding payment summary annual report by 14 August, following the end of the financial year, and
- retain the payer copy and keep this for five years.

! Payees no longer have to lodge a copy of their payment summary with their tax return.

Lodging your payment summary information electronically

We provide a range of services including the electronic commerce interface (ECI) software to help you manage your tax online. You can use the ECI to lodge:

- PAYG withholding reports
- activity statements
- annual investment income reports
- quarterly tax file number reports
- tax file number declarations, and
- superannuation statements and reports.

➤ For more information about ECI and our other online services, visit our website at www.ato.gov.au and choose 'Online services'.

You can also lodge using electronic media such as disks, CD-ROMs or DVDs.

➤ For more information on lodging using electronic media, refer to *How to lodge your PAYG withholding annual report electronically* (NAT 3367).

If you provide your PAYG withholding payment summary annual report to us electronically, you do not need to:

- send copies of payment summaries to us, or
- complete a PAYG payment summary statement.

ORDERING PAYG WITHHOLDING PAYMENT SUMMARIES

To order more copies of *PAYG payment summary – individual non-business* and other PAYG payment summaries:

- visit our website at www.ato.gov.au (select 'Forms and services' from the left navigation bar, then 'Online ordering'), or
- phone our publication ordering service on **1300 720 092** at any time – you must quote your ABN to use this service.

MORE INFORMATION

For more information about *PAYG payment summary – individual non-business* (NAT 0046):

- visit our website at **www.ato.gov.au** or
- phone **13 28 66**, between 8.00am and 6.00pm Monday to Friday.

If you do not speak English well and want to talk to a tax officer, phone the Translating and Interpreting Service on **13 14 50** for help with your call.

If you have a hearing or speech impairment and have access to appropriate TTY or modem equipment, phone **13 36 77**. If you do not have access to TTY or modem equipment, phone the Speech to Speech Relay Service on **1300 555 727**.

OUR COMMITMENT TO YOU

We are committed to providing you with advice and information you can rely on.

We make every effort to ensure that our advice and information is correct. If you follow advice 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. However, we will not charge you a penalty or interest if you acted reasonably and in good faith.

If you make an honest mistake when you try to follow our advice 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.

You are protected under GST law if you have acted on any GST advice in this publication. If you have relied on GST advice in this publication and that advice later changes, you will not have to pay any extra GST for the period up to the date of the change. Similarly, you will not have to pay any penalty or interest.

If you feel this publication does not fully cover your circumstances, please seek help from the Tax Office or a professional adviser.

The information in this publication is current at March 2008.

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 a more recent version on our website at **www.ato.gov.au** or contact us.

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