Medicare levy adjustment weekly tax table

This tax table is for payments made from 13 October 2020 to 30 June 2024.

Last updated 13 October 2020

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Using this tax table

This tax table is for payments made from 13 October 2020.

You should use this tax table if you make payments to your employee on a weekly basis and they are entitled to a Medicare levy adjustment.

This tax table should be used with the **Weekly tax table** and the **Medicare levy variation declaration**.

You can also:

- use the Medicare levy adjustment lookup tool (XLSX 34KB) to quickly work out a Medicare levy adjustment

- download a printable version of Medicare levy adjustment weekly tax table (PDF 873KB) (NAT 1010).

When your employee is entitled to a Medicare levy adjustment

Your employee is entitled to an adjustment if they meet **all** of the following requirements:

- they have provided you with a Medicare levy variation declaration in which they
  - claimed dependants
  - answered **yes** to question 10 in the declaration 'Is the combined weekly income of you and your spouse, or your income as a sole parent, less than the relevant amount in table A on page 2?'
- they have weekly earnings of $438 or more, but less than the corresponding amount in column A of Table 1 – for example, an employee who claims two dependent children must have weekly earnings of less than $1,094 to be entitled to a Medicare levy adjustment.

No Medicare levy is payable on weekly earnings of less than $438.

If your employee claims more than 10 children, the column A amount is $1,774, plus $85 for each child claimed in excess of 10.

Column B shows the values used in calculating adjustments for employees with more than five dependent children. If your employee claims more than 10 dependent children, the column B amount is $1,419.31 plus $67.94 for each child in excess of 10.

For information about how to use Table 1, see Working out the Medicare levy adjustment.

Table 1: Medicare levy adjustments

Medicare levy adjustment weekly earnings limits

Dependants	Column A	Column B

Spouse only	$924	$0
1 child	$1,009	$0
2 children	$1,094	$0
3 children	$1,179	$0
4 children	$1,264	$0
5 children	$1,349	$0
6 children	$1,434	$1,147.54
7 children	$1,519	$1,215.48
8 children	$1,604	$1,283.42
9 children	$1,689	$1,351.37
10 children	$1,774	$1,419.31

Working out the withholding amount

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

1. Use the **Weekly tax table** to find the weekly amount to withhold from your employee's earnings, allowing for any tax offsets claimed.
2. Reduce this amount by the amount of the Medicare levy adjustment, worked out as detailed in Working out the Medicare levy adjustment.

Where the adjustment equals or exceeds the amount obtained in step 1, the amount to be withheld is nil.

Working out the Medicare levy adjustment

How you work out the Medicare levy adjustment varies depending on the number of dependent children your employee is claiming. See either:

- Employee claiming spouse and/or one to five dependent children

- Employee with more than five dependent children

Employee claiming spouse and/or one to five dependent children

Round the weekly earnings down to the nearest dollar amount. Input the weekly earnings into the Medicare levy adjustment lookup tool (XLSX 34KB) and find the corresponding amount of Medicare levy adjustment in the appropriate column.

Example

The employee has weekly earnings of $454.70 and is claiming four dependent children on the *Medicare levy variation declaration*. Input $454 into the Medicare levy adjustment lookup tool (XLSX 34KB) and refer to the corresponding Medicare levy adjustment of $2.00 from the '4 children' column.

Employee with more than five dependent children

How you work out the Medicare levy adjustment for an employee with more than five dependent children varies depending on the weekly earnings of the payee – refer to:

- Weekly earnings less than $1,080
- Weekly earnings of $1,080 or more but less than the column B amount that corresponds to the number of dependent children claimed
- Weekly earnings of $1,080 or more and greater than the column B amount but less than the column A amount that corresponds to the number of dependent children claimed

Weekly earnings less than $1,080

Use the '5 children' column. Round the weekly earnings down to the nearest dollar. Input the weekly earnings into the Medicare levy adjustment lookup tool (XLSX 34KB) and find the corresponding amount of Medicare levy adjustment in the '5 children' column.

Example

The employee has weekly earnings of $904.89 and is claiming six dependent children. Input $904 into the Medicare levy adjustment lookup tool (XLSX 34KB) and refer to the corresponding Medicare levy adjustment of $18.00 from the '5 children' column.

Weekly earnings of $1,080 or more but less than the column B amount that corresponds to the number of dependent children claimed

Round the weekly earnings down to the nearest dollar and add 99 cents. Take 2% of that amount and round to the nearest dollar.

Example

The employee has weekly earnings of $1,092.48 and is claiming seven dependent children. Take 2% of $1,092.99 (weekly earnings of $1,092, rounded down to the nearest dollar, plus 99 cents), this equals $21.86.

The Medicare levy adjustment is $22, rounded to the nearest dollar.

Weekly earnings of $1,080 or more and greater than the column B amount but less than the column A amount that corresponds to the number of dependent children claimed

Complete steps 1–4 below:

1. Take 2% of the relevant column B amount. Round the result to the nearest cent.
2. Take 8% of the difference between the weekly earnings (round down to the nearest dollar plus 99 cents) and the column B amount. Round the result to the nearest cent.
3. Subtract the result of step 2 from step 1.
4. Round the result to the nearest dollar.

Example

The employee has weekly earnings of $1,259.32 and is claiming seven dependent children.

1. 2% × $1,215.48 (column B amount for seven children)
   = $24.31
2. 8% × ($1,259.99 − $1,215.48)
   = 8% × $44.51
   = $3.56
3. $24.31 − $3.56
   = $20.75
4. $21.00 ($20.75 rounded to the nearest dollar).

The Medicare levy adjustment is $21.00.

Using a formula

The Medicare levy adjustments shown in this tax table can be expressed in a mathematical form.

If you have developed your own payroll or accounting software package, refer to **Statement of formulas for calculating amounts to be withheld**.

PAYG withholding publications

You can access all PAYG withholding tax tables and other PAYG withholding publications at:

- Tax tables
- PAYG withholding.

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