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# Tax withheld calculator

Work out the amount of tax to withhold from payments to payees weekly, fortnightly, monthly or quarterly.

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## Go to the calculator

We have 2 calculators to help you work out the amount of tax to withhold from payments. Choose the calculator that suits your situation.

### Tax withheld for individuals calculator

This calculator works out the amount of tax to withhold from payments made to employees (payees) and other workers, including working holiday makers.

It takes between 2 and 10 minutes to use.

## Tax withheld for individuals calculator

### Tax withheld calculator in the ATO app

The ATO app includes a simple version of the tax withheld calculator for payments made in 2024–25.

It takes between 1 and 2 minutes to use.

It covers most scenarios, but you'll need to use the full version of the calculator on our website, if you're an employee who is:

- **not** an Australian resident for tax purposes
- a working holiday maker
- claiming tax offsets or Medicare levy adjustments.

### What you can do with this calculator

If you're an employer or another withholding payer, our tax withheld calculator can help you work out the tax you need to withhold from payments you make to employees and other workers.

It applies to payments made in the 2024–25 income year and considers:

- income tax rates
- Medicare levy
- study and training support loan contributions
- worker status
  - Resident
  - Non-resident
  - Working holiday maker
- registration of employers of working holiday makers
- tax-free threshold
- tax offset entitlements.

The results of this calculator are based on the information you provide.

## What you will need

To use this calculator, you will need the information your employees or other workers provide in their:

- Tax file number declaration
- Withholding declaration
- Medicare levy variation declaration.

## Help using this calculator

For help using this calculator and definitions of the terms we use, see [Tax withheld for individuals calculator instructions](#).

## What else you can do

For information about other changes for the 2024–25 income year, see [Tax tables](#).

If you need to withhold from a worker who is subject to a voluntary agreement, such as a contractor, go to the [Voluntary agreement calculator](#).

If you employ working holiday makers, other tax tables apply, see [Tax table for working holiday makers](#).

To get an estimate of your gross pay based on your net pay for a particular pay period, see [Gross pay estimator](#).

## Tax withheld for individuals calculator instructions

Instructions and definitions to help you use the tax withheld for individuals calculator.

### Payments

You should use this calculator if you make any of the following payments on a weekly, fortnightly or monthly 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
- 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).

Also use this calculator for payments made to both:

- foreign residents
- working holiday makers.

You are unable to use the tax withheld calculator if you make payments to:

- shearers
- workers in the horticultural industry
- performing artists
- those engaged on a daily or casual basis.

Other tax tables apply for these workers.

## Payee name

The **payee name** field is optional, but you may find it useful if you want to print the result.

You can find the answers to the questions in this section of the tax withheld calculator from the payee section of your payee's:

- *Tax file number declaration*
- *Withholding declaration.*

## Medicare levy variation

You can find the answers to the **Medicare levy** questions in the payee's *Medicare levy variation declaration*. If the payee has not

completed a Medicare levy variation declaration, you can ignore the Medicare levy questions.

## Study and training support loans

If your payee has a Higher Education Loan Program (HELP), VET Student Loan (VSL), Financial Supplement (FS), Student Start-up Loan (SSL) – includes ABSTUDY SSL or Australian Apprenticeship Support Loan (AASL)) debt (formerly Trade Support Loan), you may need to withhold additional amounts from their payments.

Your payee will need to notify you of this on their *Tax file number declaration* or *Withholding declaration*. The tax withheld calculator will include any additional amounts for study and training support loans in the withholding amount if they apply.

## Displaying the results

Select the appropriate period of payment (weekly, fortnightly or monthly) then complete all questions, and select the **Calculate** button. The calculator will then display:

- your payee's gross pay
- the amount you must withhold
- your payee's net pay.

## When there are 53 pays in a financial year

In some years, you may have 53 pays instead of the usual 52. As this table 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, they can ask you to withhold the additional amount in the following table.

### Extra weekly withholding amount

| <b>Weekly earnings</b><br>\$ | <b>Additional withholding</b><br>\$ |
|------------------------------|-------------------------------------|
| 875 to 2,574                 | <b>3</b>                            |

|                |           |
|----------------|-----------|
| 2,575 to 3,649 | <b>6</b>  |
| 3,650 & over   | <b>12</b> |

## When there are 27 pays in a financial year

In some years, you may have 27 pays instead of the usual 26. As this table is based on 26 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 following table.

### Extra fortnightly withholding amount

| <b>Fortnightly earnings<br/>\$</b> | <b>Additional withholding<br/>\$</b> |
|------------------------------------|--------------------------------------|
| 1,750 to 5,149                     | <b>12</b>                            |
| 5,150 to 7,249                     | <b>26</b>                            |
| 7,250 & over                       | <b>47</b>                            |

## 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, then add the leave loading payment to earnings for the period to calculate withholding.

## Death of an employee

Payments of salary, wages, commissions, bonuses or allowances made after the death of an employee are not subject to withholding. Even if the income was earned before the death of the payee, you are not required to withhold an amount.

## Salary sacrifice

A salary sacrifice arrangement is also commonly referred to as salary packaging or total remuneration packaging.

## Terms we use

The following is a list of terms we use in the calculators and their meanings.

### Australian resident

You must apply foreign resident withholding rates where a payee has declared they are not an Australian resident on their:

- Tax file number declaration
- Withholding declaration

Select 'Non-Resident' at the **What is the tax status of the payee?** question on the calculator if this applies to your payee.

To work out whether the payee is an Australian resident for tax purposes, see [Your tax residency](#).

### Commissioner's instalment rate

The rate of withholding is either the payee's Commissioner's instalment rate or a flat rate of 20%.

If your payee:

- has a Commissioner's instalment rate of more than 20%, you must withhold at their Commissioner's instalment rate
- has a Commissioner's instalment rate of 20% or less, you must withhold at the flat rate of 20% unless you and your payee agree to use the Commissioner's instalment rate
- doesn't know their Commissioner's instalment rate at the time of the agreement, you must withhold at the flat rate of 20%.

It is your payee's responsibility to tell you their Commissioner's instalment rate in their **voluntary agreement**.

We can provide forms or you can develop your own voluntary agreement, providing it contains the required information of a voluntary agreement.

## Gross earnings

Gross earnings include:

- your payees normal earnings
- any allowances and irregular payments you will add.

Enter the total amount at the **Payee's gross earnings** question on the calculator. Don't include cents, unless the payment is a monthly amount.

## Study and training support loan debt repayments

Payees who have deferred a Study and training support loan debt will repay their loans through the tax system once they earn above the minimum repayment threshold for the relevant year.

Payees make **compulsory repayments** of study and training support loan debts through the tax system when their repayment income is above the minimum repayment threshold. The amount they repay increases as their income increases.

You may need to withhold extra amounts for your payees with a study and training support loans debt under the **pay as you go (PAYG) withholding system**. The extra amounts cover any compulsory repayment that may be included on their notice of assessment.

The *Tax file number declaration* and *Withholding declaration* include the following question:

- Do you have a Higher Education Loan Program (HELP), VET Student Loan (VSL), Financial Supplement (FS), Student Start-up Loan (SSL) or Australian Apprenticeship Support Loan (AASL) debt?

If they have answered yes to this question, then you should answer yes to the equivalent question on the calculator:

- Does the payee have a study and Training Support Loan debt?

## Medicare levy variation

Prescribed persons may claim an exemption from, or variation to, the Medicare levy.

Prescribed persons include:

- repatriation and Centrelink pension or benefits recipients



- members of the Australian Defence Force (ADF).

To claim the Medicare levy variation available to some low-income earners with dependants, your payee must lodge a **Medicare levy variation declaration** along with their *Withholding declaration*.

If your payee has lodged both forms, you must complete the **Medicare Levy** questions on the calculator. Enter the number of children your payee has claimed. For payees claiming a spouse only, enter 0 (zero).

## Seniors and pensioners tax offset

You can't use the tax withheld calculator for the seniors and pensioners tax offset tax rate calculation. To find out more information, see [Tax table for seniors and pensioners](#).

## Tax file number not provided

If your payee hasn't given you a valid **Tax file number declaration** quoting their tax file number (TFN) or one of the following exemptions (see [TFN exempt](#)), you must withhold 47% for a resident employee and 45% for a foreign resident employee from the total gross payment, including:

- the whole amount of all leave loading payments
- payments on termination of employment – that is, holiday pay, unused annual leave and long service leave
- the taxable part of an employment termination payment.

## TFN exempt

Your payee is exempt from quoting a TFN if any of the following apply:

- They are under 18 years of age and earn less than either
  - \$350 weekly
  - \$700 fortnightly
  - \$1,517 monthly or as a one-off payment.
- They are an applicant or recipient of certain pensions, benefits or allowances from the
  - Services Australia – however, they will need to quote their TFN if they receive Newstart, Youth or sickness allowance, or an Austudy, Jobseeker or parenting payment

- Department of Veterans' Affairs – a service pension under the *Veterans' Entitlement Act 1986*
- Military Rehabilitation and Compensation Commission.
- They have told you they lodged a TFN application or enquiry with us less than 28 days ago.
- They have an interim notice we issued which is still in force.

### **Tax-free threshold claimed**

If your payee is an Australian resident for tax purposes, \$18,200 of their yearly income is not taxed. This is called the tax-free threshold.

If your payee is certain their total annual income from all payers will be less than \$18,200 they can claim the tax-free threshold from each payer. Foreign residents can't claim the tax-free threshold.

If your payee has claimed the tax-free threshold on the TFN declaration, you will need to select 'yes' at the **Has the payee claimed the Tax Free Threshold?** question on the calculator.

To find our more information, see [Multiple jobs or change of job](#).

### **Tax offsets**

Tax offsets reduce tax payable and are spread over the whole year in weekly instalments.

If your payee is entitled to a tax offset, you withhold less from their pay. Your payee can claim tax offsets only if they are also claiming the tax-free threshold.

If your payee chooses to claim their entitlement to a tax offset through reduced withholding, they must provide you with a *Withholding declaration*. Enter the amount your payee shows at the tax offsets question on the *Withholding declaration* at the Tax offsets question on the calculator.

### **Working holiday maker**

The withholding rates that apply to a payee with a relevant working holiday maker visa will depend on if:

- you're registered as an employer of working holiday makers, then you should apply the Working holiday maker withholding rates of

15% to the first \$45,000 of income earned - income in excess of \$45,000 should be withheld at foreign resident withholding rates

- you aren't registered as an employer of working holiday makers, than you must apply foreign resident withholding rates from the first dollar of income earned.

To find out more information, see [Tax table for working holiday makers](#).

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## **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 and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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