



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


These instructions will help you complete the *PAYG payment summary – individual non-business* (NAT 0046) form. They apply if you make payments to payees who:

- are employees, company directors or office holders
- receive a pension or annuity
- receive compensation, sickness or accident payments, or
- receive return to work payments.

This payment summary **does not apply** to amounts that have been withheld from payments made:

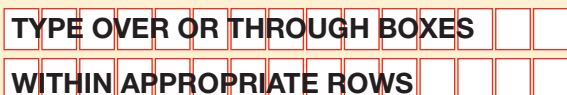
- under a labour hire arrangement or other specified payment
- under voluntary agreements to withhold
- for supplies where an ABN was not quoted, and
- that are eligible termination payments (ETP).

Nor does it apply where tax has been paid for amounts of personal services income attributed to an individual.

 Separate payment summaries and instructions are available for each of the above situations. Copies are available by phoning the Publication Ordering Service on **1300 720 092**. This service is available 24/7. You must quote your ABN to use this service.

HOW TO COMPLETE THE FORM

When preparing a payment summary, you can type over and through boxes. However, information must fall within the borders of the appropriate row/s of boxes. For example:



If you prefer to hand-write payment summaries, you must write each letter in a separate box. Please use a black pen and BLOCK LETTERS.

Not all information boxes need to be completed. For example, where an amount has not been paid or withheld, leave those boxes blank. All amounts should be shown in whole dollars. Do not show cents.

For example, an amount of \$122.76 should be shown as \$122.

If you report electronically and the information has been accepted, you do not need to send any paper copies to us.

If you do send a paper copy to us, only send the **Tax Office original**. Photocopies and duplicates are not acceptable.

The following explanations will assist in completing the sections within the form.

Common errors when completing the *PAYG payment summary – individual non-business*

Wrong	Instead
Including salary-sacrificed amounts at GROSS PAYMENTS .	Salary-sacrificed amounts do not have to be reported on the payment summary.
Including living-away-from-home allowance at Allowances .	These amounts do not have to be reported on the payment summary because living-away-from-home allowance is exempt income for the payee.
Including cents at Reportable fringe benefits amount .	Do not report cents at any label. Simply drop the cents from any amount before entering it on the payment summary.
Including amounts paid as eligible termination payments at TOTAL TAX WITHHELD and GROSS PAYMENTS .	Eligible termination payments must be reported on a separate payment summary: <ul style="list-style-type: none"> ■ <i>ETP payment summary – payer to complete</i> (NAT 2605), or ■ <i>ETP payment summary – superannuation fund to complete</i> (NAT 2606).
Amounts reported at Allowances included in GROSS PAYMENTS .	Do not include any allowance payment in the amount reported at GROSS PAYMENTS . They are only reported at Allowances .
Reporting negative amounts.	You should not report negative amounts on the payment summary. If an amendment to a previous year's payment summary is required, please refer to the AMENDED payment summary section on page 3.
Reporting amounts containing a decimal point.	Do not report cents at any label. Simply drop the cents from any amount before entering it on the payment summary.
Providing a payment summary containing all zeros.	If the payee has not received any withholding payments throughout the year, you do not need to give them a payment summary.

Payment summary for year ending 30 June

The year must be shown as a four-digit figure. For example, the year ending 30 June 2007 must be shown as 2007 and not 07.

AMENDED Payment Summaries

You cannot change the information on a payment summary after you have given it to the payee or after you have provided your PAYG withholding payment summary annual report to the Tax Office.

If you find a mistake after giving the payment summary to the payee or the Tax Office, you should complete a new payment summary, marking the **AMENDED payment summary** box as shown.

if this is an **AMENDED payment summary** please place X in this box

Amended payment summaries should be completed in full. All payee, payment and payer information must be completed on each amended payment summary. As with the original payment summary, copies should be provided to the payee and the Tax Office. You may also be required to complete an amended PAYG payment summary statement.

If the payee loses their payment summary, do not issue a new one. Give them a certified copy (of your own copy), or a signed statement showing all the details from the lost payment summary.

PAYEE DETAILS

Full name of payee

Surname or family name must be separated from given name/s, and printed in the appropriate boxes.

For example, Jane Mary Covers would be shown 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

The street number and name, suburb/town/locality, state or territory and postcode must be shown separately in the boxes provided.

For example, the address 2 Bell St, Ablem WA 6999 would be printed as:

Payee's residential address
2 B E L L S T R E E T
Suburb/town/locality State/territory Postcode
A B L E M W A 6 9 9 9

Payee's date of birth (if known)

Please provide this information, if available.

The format to use here is DDMMYYYY, for example:

Payee's date of birth (if known)
Day Month Year
0 1 / 0 5 / 1 9 4 5

Period during which payments were made

Show the period during which the payments were made to the payee.

The format to use here is DDMMYYYY.

For example, the period 25 September 2006 to 4 January 2007 would be printed as:

Period during which payments were made
Day Month Year Day Month Year
2 5 / 0 9 / 2 0 0 6 to 0 4 / 0 1 / 2 0 0 7

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

It is not necessary to show the first and last pay dates for the financial year in this field. If the payee has been engaged for the entire year, simply show the period as 1 July 2006 to 30 June 2007.

Payee's tax file number

You must show the tax file number (TFN) quoted by the payee in this field.

For example, a nine-character TFN would be shown as:

Payee's tax file number

9 8 7 6 5 4 3 2 1

To assist with our processing of your form, the TFN code should be substituted with the codes listed below in the following circumstances:

- If a new payee has not made a *TFN declaration*, but 28 days have not passed, use 111 111 111.
- If the payee is under 18 years of age and earns \$112 or less a week, use 333 333 333.
- If the payee is an Australian Government pensioner payee, use 444 444 444.
- If 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

The total tax withheld must be shown in whole dollars.

For example, \$12,672.70 would be shown as:

TOTAL TAX WITHHELD

\$ 1 2 6 7 2

Gross payments

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

Gross payments also include pensions and annuities, compensation, sickness or accident pay. The gross payments should be shown in whole dollars.

For example, a gross salary of \$46,844.76 would be shown as:

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

\$ 4 6 8 4 4

The following amounts should also be included:

- allowances to compensate for specific working conditions and payments for special qualifications or extended hours
- allowances 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 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 notes on lump sum payments).

Do not include amounts that are shown separately as CDEP payments, allowances, lump sum payments, reportable fringe benefits amounts, return to work payments or amounts shown at the 'other income' section.

! Amounts that have been salary-sacrificed should not be included in **GROSS PAYMENTS**.

CDEP payments

This is the amount you have paid to the payee from a Community Development Employment Project (CDEP) wages grant. This amount must be shown in whole dollars. These amounts should not be included in **GROSS PAYMENTS**.

Other income

Show any amounts you paid to the payee that are exempt income and/or foreign source salary and wage income. These amounts should not be included in **GROSS PAYMENTS**.

Reportable fringe benefits amount

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

The grossed-up taxable value of those benefits must be recorded on the payee's payment summary for the corresponding income year as the reportable fringe benefits amount.

Do not include cents in this amount. For example, a reportable fringe benefits amount of \$2,178.85 would be shown as:

Reportable fringe benefits amount FBT year 1 April to 31 March

\$ 2 1 7 8

➤ The fringe benefits that should be included in this section are available at www.ato.gov.au by selecting 'For Businesses', 'Business home page', 'Operating a business', 'Employer essentials' and 'Fringe benefits tax'.

Lump sum payments

Any amount that shown at any of the Lump sum payment fields must not be included in **GROSS PAYMENTS**. Each lump sum payment must be recorded against the appropriate payment type.

Lump sum A \$ 1 4 4 6 7

Lump sum B \$ 8 6 5 4

Lump sum D \$ 1 4 4

Lump sum E \$ 8 6 2

There are four types of lump sum payments.

- A** Amounts 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 the amount was paid 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 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 paid for back payment of salary and wages, which have accrued more than 12 months ago. Also, show any return to work payments in this section.

All amounts withheld from lump sum payments must be included in the total tax withheld.

Amounts for eligible termination payments that were not rolled over should not be included on this payment summary.

A separate payment summary, *ETP payment summary – payer to complete* (NAT 2605), must be completed for eligible termination payments.

- For more information on lump sum payments, see:
- *Eligible termination payments – A guide for employers on redundancy of an employee* (NAT 2702), and
 - *How to withhold from back payments* (NAT 10434).

Allowances

Allowances shown at this section are payments 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, they should be printed at each of the individual boxes.

! Amounts paid for living-away-from-home allowance should not be included on the payment summary as these amounts are exempt income for the payee.

For example, four allowances would be shown as:

Allowances (provide details)	Amount
CAR	\$ 2,120.00
UNIFORM	\$ 240.00
TOOLS	\$ 144.00
TELEPHONE	\$ 862.00
Total allowances	\$ 3,366.00

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

! The total amount of all allowances paid must be recorded in the **Total allowances** field. These amounts should not be included in **GROSS PAYMENTS**.

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

Union/professional association fees

Amounts paid to unions or professional associations on behalf of the payee must be shown in these fields. For example, an amount of \$867 to XYZ Union would be shown as:

Union/Professional association fees

– Name of organisation

XYZ UNION \$ 867.00

If payments have been made to more than two union or professional association on behalf of the payee, print VARIOUS in the **Name of organisation** boxes.

You should give the payee a list showing details of these amounts. These amounts must also be included in **GROSS PAYMENTS**.

Workplace giving

Amounts paid to deductible gift recipients on behalf of the payee must be shown here. For example, an amount of \$532 to ABC Charity would be shown as:

Workplace giving etc

– Name of organisation

ABC CHARITY \$ 532.00

If payments have been made to more than one deductible gift recipient on behalf of the payee, print VARIOUS in the **Name of organisation** box.

You should give the payee a list showing details of these amounts. These amounts must also be included in **GROSS PAYMENTS**.

PAYER DETAILS

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

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

Your ABN or WPN must be shown here. For example an ABN of 12 345 678 912 would be shown as:

Payer details

Payer's ABN or withholding payer number

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

⚠ Use the ABN or WPN and name that appear on your activity statement, under which you report your PAYG withholding amounts.

Branch number

If a business has one ABN but multiple branches, each branch will have an individual branch number.

You should show your branch number in the boxes provided. If you do not have a branch number, leave the boxes blank.

Payer's name

Use the same name that appears on your activity statement.

For example, ABC Pty Ltd would appear as:

Payer's name

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

Signature of authorised person

This must be the signature of the payer or a person authorised to sign on the payer's behalf. You can print or type the name of the person authorised to sign the payment summary. Details of the authorised person should be kept with your records.

AFTER COMPLETING THIS FORM

The *PAYG payment summary – individual non-business* form is a self-duplicating form that includes copies for the:

- Tax Office
- payee's personal tax records, and
- payer.

The payer will need to forward the original copy to the Tax Office with their completed PAYG payment summary statement. This needs to be done by 14 August, following the end of the financial year. One copy should be given to the payee and the third retained by the payer. Both the payer and payee must keep their copies for five years.

Did you know that you are able to lodge your payment summary information via the internet?

The Tax Office provides a range of services including the electronic commerce interface (ECI) software to help businesses manage their tax affairs online. The ECI can be used to lodge:

- PAYG withholding reports
- activity statements
- tax file number declarations, and
- superannuation statements and reports.

To find out more about ECI and the Tax Office's other online services, visit www.ato.gov.au/onlineservices

ORDERING PAYG WITHHOLDING PAYMENT SUMMARIES

You can order more copies of the *PAYG payment summary – individual non-business* form and other PAYG payment summaries by phoning the Publication Ordering Service on **1300 720 092**. This service is available 24/7. You must quote your ABN to use this service.

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.

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 November 2006. 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.

➤ MORE INFORMATION

If you need more information or assistance completing the *PAYG payment summary – individual non-business* (NAT 0046) form, you can:

- visit www.ato.gov.au
- phone **13 28 66**, between 8.00am and 6.00pm Monday to Friday, or
- obtain a fax by phoning **13 28 60**.

If you do not speak English 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**.

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