

Medicare levy adjustment weekly tax table

This table should be read with the *Weekly tax table – including instructions for calculating monthly and quarterly withholding* (NAT 1005) and the *Medicare levy variation declaration* (NAT 0929)

**! FOR PAYMENTS MADE ON OR
AFTER 1 JULY 2012**

From 1 July 2012, the temporary flood and cyclone reconstruction levy (flood levy) will no longer apply.

WHO SHOULD USE THIS TABLE?

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

! This tax table includes instructions for calculating the Medicare levy adjustment for monthly payments. For more information, see page 3.

➔ For a full list of tax tables, visit our website at www.ato.gov.au/taxtables

Alternatively, we have a calculator to help work out the correct amount of tax to withhold from payments to most payees. To access the calculator, visit our website at www.ato.gov.au/taxwithheldcalculator

! This document is a withholding schedule made by the Commissioner of Taxation in accordance with sections 15-25 and 15-30 of schedule 1 to the *Taxation Administration Act 1953*. It applies to withholding payments covered by Subdivisions 12-B (except sections 12-50 and 12-55), and 12-D of schedule 1.



IS YOUR PAYEE ENTITLED TO A MEDICARE LEVY ADJUSTMENT?

Your payee 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 dependents
 - answered **yes** to question 10 ‘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 1?’
- they have weekly earnings of \$395 or more, but less than the corresponding amount in column A of table 1 on this page
 - for example, a payee who claims two dependent children must have weekly earnings of less than \$876 to be entitled to a Medicare levy adjustment.

! No Medicare levy is payable on weekly earnings of less than \$395.

If your payee claims more than 10 children, the column A amount is \$1,421, plus \$68 for each child claimed in excess of 10.

Column B shows the values used in calculating adjustments for payees with more than five dependent children. If your payee claims more than 10 dependent children, the column B amount is \$1,207.94 plus \$57.82 for each child in excess of 10.

➔ For information about how to use table 1, see ‘How to work out the Medicare levy adjustment’ on this page.

TABLE 1: Medicare levy adjustments

	Column A	Column B
Spouse only	\$740	—
Number of children		
1	\$808	—
2	\$876	—
3	\$944	—
4	\$1,012	—
5	\$1,080	—
6	\$1,148	\$976.63
7	\$1,217	\$1,034.46
8	\$1,285	\$1,092.29
9	\$1,353	\$1,150.12
10	\$1,421	\$1,207.94

Can you use a formula?

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

If you have developed your own payroll software package, you will need to use the *Statement of formulas for calculating amounts to be withheld* (NAT 1004) available on our website at www.ato.gov.au/taxtables

HOW TO WORK OUT THE WITHHOLDING AMOUNT

To workout the amount you need to withhold, you must:

- 1 Use the *Weekly tax table – including instructions for calculating monthly and quarterly withholding* (NAT 1005) to find the weekly amount to withhold from your payee’s earnings, allowing for any tax offsets claimed.
- 2 Reduce this amount by the amount of the Medicare levy adjustment, worked out as detailed below.

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

HOW TO WORK OUT THE MEDICARE LEVY ADJUSTMENT

How you work out the Medicare levy adjustment varies depending on the number of dependent children your payee is claiming, see either:

- ‘Payee claiming spouse and/or one to five dependent children’ below
- ‘Payee with more than five dependent children’ on page 3.

Payee claiming spouse and/or one to five dependent children

Round the weekly earnings down to the nearest dollar amount. Use the table on page 4 to find the payee’s weekly earnings in the ‘Weekly earnings’ column and the corresponding amount of Medicare levy adjustment in the appropriate column.

EXAMPLE

The payee has weekly earnings of \$454.70 and is claiming four dependent children on the *Medicare levy variation declaration*. Find \$454 in the ‘Weekly earnings’ column and find the corresponding Medicare levy adjustment of \$6.00 from the ‘4 children’ column.

Payee with more than five dependent children

How you work out the Medicare levy adjustment for a payee with more than five dependent children varies depending on the weekly earnings of the payee, see:

- 'Weekly earnings less than \$919' below
- 'Weekly earnings of \$919 or more but less than the column B amount that corresponds to the number of dependent children claimed' below
- 'Weekly earnings of \$919 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' below.

Weekly earnings less than \$919

Use the '5 children' column. Round the weekly earnings down to the nearest dollar. Use the table beginning on page 4 to find the payee's earnings in the 'Weekly earnings' column and find the corresponding amount of Medicare levy adjustment in the '5 children' column.

EXAMPLE

The payee has weekly earnings of \$410.65 and is claiming six dependent children. Find \$410 in the 'Weekly earnings' column and find the corresponding Medicare levy adjustment of \$2.00 from the '5 children' column.

Weekly earnings of \$919 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 1.5% of that amount and round to the nearest dollar.

EXAMPLE

The payee has weekly earnings of \$950.45 and is claiming seven dependent children. Take 1.5% of \$950.99 (weekly earnings of \$950, rounded down to the nearest dollar, plus 99 cents), this equals \$14.26.

The Medicare levy adjustment is \$14, rounded to the nearest dollar.

Weekly earnings of \$919 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 1.5% of the relevant column B amount. Round the result to the nearest cent.
- 2 Take 8.5% 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 payee has weekly earnings of \$1,200.70 and is claiming eight dependent children.

- 1 $1.5\% \times \$1,092.29$ (column B amount for eight children)
= \$16.38
- 2 $8.5\% \times (\$1,200.99 - \$1,092.29)$
= $8.5\% \times \$108.70$
= \$9.24
- 3 $\$16.38 - \9.24
= \$7.14
- 4 \$7.00 (\$7.14 rounded to the nearest dollar).

The Medicare levy adjustment is \$7.

What if you pay monthly?


To work out the Medicare levy adjustment for monthly payments, you must:

- 1 Work out the monthly gross earnings. Where this amount ends in 33 cents add one cent.
- 2 Multiply the monthly gross earnings by 12.
- 3 Divide this figure by 52 to obtain the weekly gross amount (ignore any cents)
- 4 Use the table to find the payee's weekly earnings in the 'Weekly earnings' column and the corresponding amount of Medicare levy adjustment in the appropriate column.
- 5 Multiply this amount by 52 and then divide by 12 to obtain the monthly Medicare levy adjustment.

EXAMPLE

A payee has monthly earnings of \$2,250.39 and is claiming three dependent children on the Medicare levy variation declaration.

- 1 Gross monthly earnings are \$2,250.39
- 2 $\$2,250.39 \times 12 = \$27,004.68$
- 3 $\$27,004.68 \div 52 = \519.32 (\$519 ignoring cents)
- 4 Medicare levy adjustment amount using column 5 for \$519 is \$8.00
- 5 $\$8 \times 52 = \416.00
 $\$416 \div 12 = \35.00 is the Medicare levy adjustment for the month.

 The *Medicare levy adjustment monthly withholding table* (NAT 1012) is available on our website at www.ato.gov.au/taxtables

PAYG WITHHOLDING PUBLICATIONS

You can access all PAYG withholding tax tables and other PAYG withholding publications quickly and easily from our website at www.ato.gov.au/paygw

Copies of weekly and fortnightly tax tables are available from most newsagents. Newsagents also hold copies of the following:

- *Tax file number declaration* (NAT 3092)
- *Withholding declaration* (NAT 3093).

MEDICARE LEVY ADJUSTMENT WEEKLY TAX TABLE

Weekly earnings \$	Spouse only \$	1 child \$	2 child \$	3 child \$	4 child \$	5 child \$
1074	—	—	—	—	—	1.00
1075	—	—	—	—	—	—
1076	—	—	—	—	—	—
1077	—	—	—	—	—	—
1078	—	—	—	—	—	—
1079	—	—	—	—	—	—
1080	—	—	—	—	—	—
1081	—	—	—	—	—	—
1082	—	—	—	—	—	—
1083	—	—	—	—	—	—
1084	—	—	—	—	—	—
1085	—	—	—	—	—	—
1086	—	—	—	—	—	—
1087	—	—	—	—	—	—
1088	—	—	—	—	—	—
1089	—	—	—	—	—	—
1090	—	—	—	—	—	—
1091	—	—	—	—	—	—
1092	—	—	—	—	—	—
1093	—	—	—	—	—	—
1094	—	—	—	—	—	—
1095	—	—	—	—	—	—
1096	—	—	—	—	—	—
1097	—	—	—	—	—	—
1098	—	—	—	—	—	—
1099	—	—	—	—	—	—
1100	—	—	—	—	—	—
1101	—	—	—	—	—	—
1102	—	—	—	—	—	—
1103	—	—	—	—	—	—
1104	—	—	—	—	—	—
1105	—	—	—	—	—	—
1106	—	—	—	—	—	—
1107	—	—	—	—	—	—
1108	—	—	—	—	—	—

Weekly earnings \$	Spouse only \$	1 child \$	2 child \$	3 child \$	4 child \$	5 child \$
1109	—	—	—	—	—	—
1110	—	—	—	—	—	—
1111	—	—	—	—	—	—
1112	—	—	—	—	—	—
1113	—	—	—	—	—	—
1114	—	—	—	—	—	—
1115	—	—	—	—	—	—
1116	—	—	—	—	—	—
1117	—	—	—	—	—	—
1118	—	—	—	—	—	—
1119	—	—	—	—	—	—
1120	—	—	—	—	—	—
1121	—	—	—	—	—	—
1122	—	—	—	—	—	—
1123	—	—	—	—	—	—
1124	—	—	—	—	—	—
1125	—	—	—	—	—	—
1126	—	—	—	—	—	—
1127	—	—	—	—	—	—
1128	—	—	—	—	—	—
1129	—	—	—	—	—	—
1130	—	—	—	—	—	—
1131	—	—	—	—	—	—
1132	—	—	—	—	—	—
1133	—	—	—	—	—	—
1134	—	—	—	—	—	—
1135	—	—	—	—	—	—
1136	—	—	—	—	—	—
1137	—	—	—	—	—	—
1138	—	—	—	—	—	—
1139	—	—	—	—	—	—
1140	—	—	—	—	—	—
1141	—	—	—	—	—	—
1142	—	—	—	—	—	—
1143	—	—	—	—	—	—

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