

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

Use these instructions when completing *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
- receive return to work payments
- receive a non-superannuation annuity or pension.

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

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

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 these 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
- 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.	Instead, report employment termination payments on a <i>PAYG payment summary – employment termination payment</i> (NAT 70868).	Do not include living-away-from-home allowance fringe benefits at <b>Allowances</b> .	Do not report these amounts on the payment summary, unless it forms part of the <b>reportable fringe benefits amount</b> , because living-away-from-home allowance fringe benefits are not assessable income for the payee.
Do not include amounts paid under a salary sacrifice arrangement at <b>GROSS PAYMENTS</b> .	Amounts that are paid to a superannuation fund under a salary sacrifice arrangement must be reported at <b>Reportable employer superannuation contributions</b> .	Do not include amounts reported at <b>Allowances</b> in <b>GROSS PAYMENTS</b> .	If you report an allowance at <b>Allowances</b> , do not include it in the amount you report at <b>GROSS PAYMENTS</b> .
	Any other amounts paid under a salary sacrifice arrangement may need to be reported at <b>Reportable fringe benefits amount</b> , otherwise they should not be reported on the payment summary.	Do not report negative amounts.	To amend a previous year's payment summary, see 'Amending payment summaries' on page 3.
Do not include cents at <b>Reportable fringe benefits amount</b> .	Do not show cents at any label – instead, remove the cents from any amount before you enter it on the payment summary.	Do not report amounts containing a decimal point.	Do not report cents at any label – instead, remove the cents from any amount before you enter it on the payment summary.
Do not include contributions made by you to meet your superannuation guarantee obligations or industrial agreement obligations in respect of the employee at <b>Reportable employer superannuation contributions</b> .	Amounts that are paid to a superannuation fund under salary sacrifice arrangement must be reported at <b>Reportable employer superannuation contributions</b> .	Do not provide a payment summary containing all zeros.	If you have not made any payments to a payee throughout the year, you do not need to give them a payment summary.
		At <b>Payment summary for year ending 30 June</b> , 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 2012 as 2012, and not 12.



To help us process your form, you must substitute the TFN with the number listed below where:

- 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 earnings do not exceed \$350 per week, \$700 per fortnight or \$1,517 per month – 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 \$

Total tax withheld - whole dollars only in words

*Twelve thousand, six hundred and seventy-two*

### Pension or annuity payments

Place an 'X' in the box if the information on the payment summary relates to payments of a non-superannuation pension or annuity.

If you make payments of superannuation income, you need to complete *PAYG payment summary – superannuation income stream* (NAT 70987).

### 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:

- non-superannuation pensions and annuities
- compensation
- 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' or 'Exempt foreign employment 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
- return-to-work payments
- holiday pay or bonuses
- 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 in connection with a payment that includes (or consists of) a genuine redundancy payment, an early retirement scheme payment or the invalidity segment of an employment termination payment or superannuation benefit (see 'Lump sum payments' on page 5).

Do not include amounts that are shown separately as:

- Community Development Employment Projects (CDEP) payments
- allowances
- lump sum payments
- reportable fringe benefits amounts.

⚠ 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**.

### Reportable fringe benefits amount

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

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

\$

Do not include this amount in **GROSS PAYMENTS**.

➤ For more information about the fringe benefits you must include in this section and calculating grossed-up amounts, refer to *Fringe benefits tax for small business* (NAT 8164).

### Reportable employer superannuation contributions

Complete this section if you paid employer contributions to a superannuation fund at the request of the employee – this includes amounts paid at the direction of the employee under a salary sacrifice or similar arrangement. This does not include contributions that are made by you to meet your superannuation guarantee obligations or industrial agreement obligations in respect of the employee.

#### What are reportable employer superannuation contributions?

Reportable employer superannuation contributions are:

- contributions made under a salary sacrifice agreement
- additional amounts paid to an employee's super fund – for example, an annual bonus paid to super
- employee negotiated increases in super contributions as a part of their salary package – for example, under individual employment contracts.

Reportable employer superannuation contributions are **not**:

- super guarantee contributions
- compulsory super contributions required by the governing rules of a super fund or required by a state or territory law
- employer super contributions made under a collectively negotiated industrial agreement.

Reportable employer superannuation contributions are not included in your employee's assessable income – however:

- you **must** report them to us as part of your annual payment summary reporting, and
- your employee **must** report them to us in their income tax return.

➤ For more information, visit [ato.gov.au/resc](https://ato.gov.au/resc)

You must record the cash value of that part of the superannuation contribution on the payee's payment summary for the income year 1 July to 30 June.

➤ For more information, refer to *Reportable employer super contributions* (NAT 72916).

### Deductible amount of the undeducted purchase price (UPP) of pensions or annuities

If you make payments of non-superannuation annuities or pensions, there may be a deductible amount of the UPP.

The UPP is the amount the client contributed towards the purchase price of their pension or annuity for which they did not claim, and were not eligible to claim, a tax deduction. The deductible amount is that part of the client's annual pension or annuity income which represents a return to them of their personal contributions that is free from tax. You need to calculate the deductible amount and include it in this section.

### 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	\$	<input type="text"/>	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	Type
Lump sum B	\$	<input type="text"/>	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	
Lump sum D	\$	<input type="text"/>	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	
Lump sum E	\$	<input type="text"/>	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	

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
- unused long service leave accrued after 17 August 1993 or unused holiday pay and other leave-related payments, where the amount was paid in connection with a payment that includes (or consists of) a genuine redundancy payment, an early retirement scheme payment or the invalidity segment of an employment termination payment or superannuation benefit.

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

If an amount has been included at Lump sum A, you must also complete the 'Type' box to indicate the circumstances the payment was made under. The only valid codes are:

- R – if the payment was made for a genuine redundancy, invalidity or under an early retirement scheme
- T – if the payment was made for any other reason.

If there is no amount included at Lump sum A, do not complete the 'Type' box.

- B** Amounts you paid for unused long service leave that accrued before 16 August 1978.
- D** The tax-free component of a genuine redundancy payment or an early retirement scheme payment.
- E** Amounts you paid for back payment of salary or 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 for employment termination payments. For more information, refer to *How to complete the PAYG payment summary – employment termination payment form* (NAT 70996).

➤ For more information about lump sum payments, refer to *Tax table for back payments, commissions, bonuses and similar payments* (NAT 3348).

### Exempt foreign employment income

Income from foreign employment is exempt from tax if your payee meets certain conditions.

➤ For more information, refer to *Exempt foreign employment income* (NAT 8000).

⚠ You do not need to provide a payment summary if the only income you have paid is exempt foreign employment income.

### 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 because these amounts are not assessable income for the payee.

For example, show two allowances as:

Allowances (provide details)	
TOOLS	\$ [ ] [ ] , [ ] [ ] [ ] , 8 6 2 -X
TELEPHONE	\$ [ ] [ ] , [ ] [ ] [ ] , 1 4 4 -X
<b>Total allowances</b>	\$ [ ] [ ] , [ ] [ ] 1 , 0 0 6 -X

If you paid more than two 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 more information about an allowance you have paid to your payee, visit our website at [ato.gov.au](http://ato.gov.au) and search for 'Withholding from allowances'. This document 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 – Name of organisation	
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 C: 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
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### Branch number

If your 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
- the payer.

You must:

- give the payee their copy of this payment summary by 14 July following the end of the financial year in which 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' to us along with your

*PAYG payment summary statement* (NAT 3447 or NAT 7885) as soon as possible but no later than 14 August to ensure your PAYG withholding obligations are met

- retain the payer copy and keep this for five years.



Payment summaries printed from your payroll software must not be sent to the ATO.

## Lodging your payment summary information electronically

If you have an Auskey and your payroll software meets our specifications, you can submit your payment summary information to us electronically using the Business Portal. It is a quick and secure way for you to meet your lodgment obligations. You can use the Business Portal to lodge your:

- PAYG payment summary annual report
- activity statements
- TFN declarations
- annual investment income reports
- quarterly TFN declaration reports
- superannuation statements and reports.



For more information about the Business Portal and our other online services, visit our website at [ato.gov.au/online-services](https://ato.gov.au/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 pay as you go (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 PAYMENT SUMMARIES

To order more copies of *PAYG payment summary – individual non-business* (NAT 0046) and other PAYG payment summaries:

- visit our website at [ato.gov.au/onlineordering](https://ato.gov.au/onlineordering)
- 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 *Pay as you go (PAYG) withholding – individual non-business* (NAT 0046):

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

If you do not speak English well and need help from the ATO, phone the Translating and Interpreting Service on **13 14 50**.

If you are deaf, or have a hearing or speech impairment, phone the ATO through the National Relay Service (NRS) on the numbers listed below:

- TTY users, phone **13 36 77** and ask for the ATO number you need
- Speak and Listen (speech-to-speech relay) users, phone **1300 555 727** and ask for the ATO number you need
- internet relay users, connect to the NRS on **relayservice.com.au** and ask for the ATO number you need.

If you would like further information about the NRS, phone **1800 555 660** or email **helpdesk@relayservice.com.au**

## 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 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 but we will not charge you a penalty. Also, if you acted reasonably and in good faith we will not charge you interest.

If you make an honest mistake in trying to follow our information in this publication 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 that this publication does not fully cover your circumstances, or you are unsure how it applies to you, you can seek further assistance from us.

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 more recent information on our website at **ato.gov.au** or contact us.

This publication was current at **April 2013**.