

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
- covered by a voluntary agreement
- 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 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 Allowances .	Do not report these amounts on the payment summary, unless it forms part of the reportable fringe benefits amount , because living-away-from-home allowance fringe benefits are exempt income for the payee.
Do not include amounts paid under a salary sacrifice arrangement at GROSS PAYMENTS .	Only amounts that are paid to a superannuation fund under a salary sacrifice arrangement must be reported at Reportable employer superannuation contributions .	Do not include amounts reported at Allowances in GROSS PAYMENTS .	If you report an allowance at Allowances , do not include it in the amount you report at GROSS PAYMENTS .
	Any other amounts paid under a salary sacrifice arrangement may need to be reported at Reportable fringe benefits amount , 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 .
Do not include cents at Reportable fringe benefits amount .	Do not show cents at any label. Simply drop the cents from any amount before you enter it on the payment summary.	Do not report amounts containing a decimal point.	Do not show cents at any label.
Do not include contributions made by you to meet your superannuation guarantee obligations or industrial agreement obligations in respect of the employee at Reportable employer superannuation contributions .	Only amounts that are paid to a superannuation fund under salary sacrifice arrangement must be reported at Reportable employer superannuation contributions .	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 Payment summary for year ending 30 June , 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 2010 as 2010 and not 10.

Amending payment summaries

You cannot change the information on a payment summary after you have either:

- given it to the payee
- provided your *PAYG payment summary statement* to us.

If you find a mistake after giving the payment summary to the payee or us, we recommend you complete a new payment summary, marking the **amending a payment summary** box as shown.

Are you **amending a payment summary** you have already sent? If so, place X in this box.

When you complete amended payment summaries you must:

- complete all payee, payment and payer information on each amended payment summary
- send it to us
- give a copy to the payee.

You must show the payee and payer information as it was on the original payment summary. You must send the Tax Office copy to the applicable address in the *PAYG payment summary statement* (NAT 3447).

If the payee or payer information was incorrect, do not prepare a new payment summary. Advise the payee as soon as possible. Document the correct details and keep them in your files. There is no need to advise us of the corrected details.

You must also give a copy of the letter to the payee.

Where payment amounts and/or tax withheld amounts have changed, you may also need to complete an amended *PAYG payment summary statement*.

If the payee loses their payment summary, do not issue a new one. Give them a photocopy of your own copy showing all the details from the lost payment summary.

SECTION A: PAYEE DETAILS

Payee's name

Separate the surname or family name from the given name(s) and print in the appropriate boxes. For example, show Jane Mary Covers 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

You must show the street number and name, suburb/town/locality, state or territory and postcode separately in the boxes provided. For example, show the address 2 Bell St, Ablem WA 6999 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

Date of birth (if known)

Provide this information if you have it. Use the format DDMMYYYY, for example:

Date of birth (if known) 0 1 / 0 5 / 1 9 7 5

SECTION B: PAYMENT DETAILS

Period during which payments were made

Show the period during which the payments were made to the payee. Use the format DDMMYYYY. For example, show the period 25 September 2009 to 4 January 2010 as:

Period during which payments were made

2 5 / 0 9 / 2 0 0 9 to 0 4 / 0 1 / 2 0 1 0

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

You do not need to show the first and last pay dates for the financial year in this field. If the payee has been employed for the entire year, show the period as 1 July 2009 to 30 June 2010.

Payee's tax file number

You must show the tax file number (TFN) the payee quoted in this field. For example, show a nine-character TFN as:

Payee's tax file number 9 8 7 6 5 4 3 2 1

To help us process your form, you must substitute the TFN code with the codes 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 earns \$112 or less a week – 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 \$, 1 2 , 6 7 2 .

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')

\$, 4 6 , 8 4 4 .

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 a:

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



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

\$, 4 , 1 7 8 .

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
- your employee **must** report them to us in their income tax return.

➤ For more information, refer to www.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"/>	<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"/>	<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"/>	<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"/>	<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, *How to complete the PAYG payment summary – employment termination payment form* (NAT 70980) for employment termination payments.

➤ For more information about lump sum payments, refer to:

- *Employment termination payments – when an employee leaves* (NAT 71043)
- *How to withhold from back payments* (NAT 10434).

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 as these amounts are exempt income for the payee.

For example, show two allowances as:

Allowances (provide details)	
TOOLS	\$ [] [] , [] [] [] , 8 6 2 .X
TELEPHONE	\$ [] [] , [] [] [] , 1 4 4 .X
Total allowances	\$ [] [] , [] [] [] 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, refer to *PAYG bulletin no. 1 – taxing of allowances for the 2000/01 and future income years*. 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	
	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
---	---	---	---	---	---	---	---	---	---	---

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 the ATO 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.

⚠ Payees no longer have to include a copy of their payment summary when they lodge their tax return.

Lodging your payment summary information electronically

We provide a range of services including the electronic commerce interface (ECI) software, to help you manage your tax online. You can use the ECI to lodge:

- PAYG withholding reports
- activity statements
- annual investment income reports
- quarterly TFN reports
- TFN declarations
- superannuation statements and reports.

➡ For more information about ECI and our other online services, visit our website at www.ato.gov.au/onlineservices

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
- complete a *PAYG payment summary statement*.

ORDERING PAYG PAYMENT SUMMARIES

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

- visit our website at www.ato.gov.au (select 'Forms and services' from the left navigation bar, then Online ordering)
- 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 *PAYG payment summary – individual non-business* (NAT 0046):

- visit our website at **www.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 **www.relayservice.com.au** and ask for the ATO number you need.

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 **www.ato.gov.au** or contact us.

This publication was current at **March 2011**.

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