



Instructions for completing the PAYG withholding variation application 2011 Senior Australians tax offset (SATO) only 1 July 2010 to 30 June 2011

Complete this application if you are eligible for SATO and want to vary the rate or amount of PAYG tax withheld from payments made to you for the year ending 30 June 2011.

WHAT YOU NEED TO DO

- Read these instructions.
- Complete all sections of the application.
- Sign and date the declaration.
- Send your completed application to the address shown on the form, by **15 May 2011**.

You can lodge your application on a paper form or electronically over the internet. Applications lodged electronically may be processed faster than paper forms.

GENERAL COMMENTS

Section 15-15 in Schedule 1 to the *Taxation Administration Act 1953* provides that the Commissioner of Taxation may, to meet the special circumstances of a particular case or class of cases, vary the amount an entity is required to withhold from a withholding payment.

The main purpose of varying the rate or amount of withholding is to ensure that the amounts withheld during the income year best meet your end-of-year tax liability. An example is where the normal rate or amount of withholding would lead to a large credit at the end of the income year because your tax deductible expenses are higher than normal.

STARTING DATE

If this application is approved, the varied rate or amount of withholding will start from the next available payday after your pay office receives the notice of withholding variation from us.

Any amounts withheld by your payer before the variation comes into effect will generally not be refunded (see page 4 of the instructions, **General information** – What will happen when my application is processed?) If these amounts withheld are not refunded by your payer, you will need to lodge a 2011 year tax return to get any refund due.

FINISHING DATE

Your variation finishes on the expiry date shown on the notice of withholding variation from us. It is your responsibility to reapply for a future variation if your circumstances require it.

➤ MORE INFORMATION

- visit www.ato.gov.au
- phone **1300 360 221**
- email ITWvariation@ato.gov.au
- if you are a tax agent, phone **13 72 86 FKC 1 2 3**.

Our phone services are available from 8.00am to 6.00pm, Monday to Friday.

PRIVACY

We are authorised by the tax laws, including the *Income Tax Assessment Act 1936*, the *Income Tax Assessment Act 1997* and the *A New Tax System (Australian Business Number) Act 1999* to ask for the information on this application. We need this information to help us to administer the tax laws.

Where authorised by law to do so, we may give some of this information to other government agencies. For example, law enforcement agencies such as state and federal police, assistance agencies such as Centrelink and the Child Support Agency, and other agencies such as the Australian Bureau of Statistics.

WHERE TO SEND YOUR COMPLETED APPLICATION

Australian Taxation Office
Locked Bag 1515
UPPER MT GRAVATT QLD 4122

❗ Variations are issued at the Commissioner's discretion.

❗ IMPORTANT NOTES

- We will process your application only if you:
 - correctly complete all the questions in sections A to D
 - have lodged all required tax returns, or notified us in writing if you were not required to lodge tax returns in prior years
 - do not have any outstanding tax debt owing to the Australian Government, and
 - do not have any outstanding debts under any Acts administered by us.
- We may seek more information from you before or after your application is processed. If you fail to provide more information as requested, your application may not be approved.
- We process your application based on the information you provide. It is your responsibility to make sure this information is adequate to enable us to calculate a withholding rate to meet your end-of-year tax liability. If you need help to calculate your tax liability or complete the application, phone **1300 360 221**.
- If your application is not approved, you can apply for a review of the decision. You must apply in writing, explain why the decision should be overturned and include information to support your claims.

Section A: Your details

A1 Your tax file number (TFN)

We are authorised by the *Taxation Administration Act 1953* to collect your TFN. You are not required by law to provide your TFN. However, quoting your TFN reduces the risk of administration errors that could delay the processing of your application.

A2 Employment declaration or TFN declaration

If you are not exempt from quoting your TFN and you have not quoted your TFN to your payer, you will not be granted a variation. You are exempt from quoting your TFN if you receive an Australian government pension or a service pension from the Department of Veterans' Affairs.

A6 Your phone numbers

Provide a phone number on which we can contact you between the hours of 8.00am and 6.00pm.

A7 Tax agent's or other contact phone number and name

This item needs to be completed only if a third party (for example, a tax agent, financial adviser or spouse) is completing this application on your behalf.

By completing this item you are authorising us to deal with this person as the first point of contact.

A8 Tax agent's registration number

This item needs to be completed only if a registered tax agent is completing this application on your behalf.

A10 Australian resident for tax purposes

See *TaxPack* for more information. If you are unsure of your residency status or if you need a copy of *TaxPack*, visit www.ato.gov.au or phone 13 28 61.

A12 Your status

Mark whichever box is applicable to you.

Section B: Your payer's details

PAYER 1

Complete all applicable items for payers who are withholding tax from your payments (for example, ComSuper).

Use a separate page for each payer.

B2 Payer's Australian business number (ABN)

Leave blank if you do not know your payer's ABN.

B3 Payer's business name

Show your payer's business name.

B4 Pay office postal address

Show your payer's postal address.

B5 Your pay officer's direct phone number

Leave blank if you do not know your payer's phone number.

B6 Your reference or policy number

Show your reference or policy number. Leave this blank if you do not know this number. Your payer uses this information for identity purposes to ensure that the correct tax rate is applied to your payments. If you do not provide this information, we will provide your date of birth to your payer for identity purposes.

B7 Gross per pay

Show the amount you are receiving each pay before tax is withheld.

B8 Tax withheld per pay

Show the amount of tax your payer is withholding from each pay.

B9 Pay frequency

Mark the relevant box to indicate how often you receive payments.

B10 Dates of last pay and next pay

Show the date you last received a payment and the date you next expect to receive a payment.

B11 Gross payments received since 1 July 2010

Show the total payments from your payer, including tax withheld, since 1 July 2010.

B12 Tax withheld since 1 July 2010

Show the total amount of tax your payer has withheld from your payments since 1 July 2010.

PAYER 2

Do not include exempt income in this section. There is a list of exempt Australian government pensions, allowances and payments on page 4 of the instructions.

Complete items B1 and B2 for payers who are not withholding tax from your payments (for example, Centrelink or Department of Veterans' Affairs).

B1 Annual gross income and annual tax

Show the total annual gross income you expect to receive from this payer at item B1(a) **Annual gross income** and insert zero at item B1(b) **Annual tax**.

B2 Payer's business name

Show your payer's business name.

If you have more than two payers, attach a separate sheet for any additional payers. Make sure all the required details as listed above are included on the separate sheet.

Section C: Annual income and tax offsets

This is an estimate of your income for the 2010–11 income year.

! We can calculate your rate or amount of withholding (which may be zero) only if you provide all the required information at these items.

When estimating the amounts in items C2 and C3, include any increases you expect to receive during the period 1 July 2010 to 30 June 2011.

C2 Australian government pensions and allowances

Show the total amount of any of the following.

- Annual amount of pension you expect to receive from Centrelink. Leave the **PENSION CODE** box blank as we will fill this in for you.
- The annual amount of pension or benefit you expect to receive from the Department of Veterans' Affairs.

C3–4 Australian superannuation income streams and lump sums

Only include the taxable components you expect to receive if they comprise an element that is untaxed in the fund (paid from an untaxed source). Show the amount of any tax offset that applies to this income at item C10 **Tax offsets**.

Your superannuation income stream and lump sum will be paid from an untaxed source primarily because it is paid, at least in part, from a superannuation scheme that is not subject to tax, such as, a public sector superannuation scheme. If you are uncertain, check with your fund.

➔ For more information on superannuation income, visit www.ato.gov.au or phone **13 10 20**.

C5 Non-superannuation annuities

Include the gross income from all Australian non-superannuation annuities.

C8 Other income

Show the total amount of other income and provide an explanation of the amounts in the box provided. Other income includes:

- gross income from UK or other foreign-sourced pension you expect to receive (show the name of the pension in the box)
- income you expect to receive from your rental properties
- partnership or trust income or partnership loss
- net income or loss from business.

If the amount is a loss, write 'L' in the **LOSS** box.

C10 Tax offsets

There are tax offsets available for some superannuation income stream payments.

You may claim 10% of the untaxed element of the taxable component of such income streams if you are aged 60 or more.

If you are not sure you can claim this offset or the amount of the offset, contact your superannuation provider.

C11 Spouse's rebate income

Show your spouse's rebate income.

C12 If your spouse receives a pension, provide the following:

- type and amount of the pension in the appropriate boxes.

C14 Medicare

If you are in one of the exemption categories for the full year, show the number of days you wish to claim the exemption and the appropriate code in the **EXEMPTION CODE** box.

Section D: Annual deductions

D1–3 Read the notes at these items on the application form before completing them.

D5 Taxable income

Show your taxable income.

! If you do not complete this item, we will contact you and ask you to send the information to us in writing.

General information

WHAT WILL HAPPEN WHEN MY APPLICATION IS PROCESSED?

From the information you provide on your application, we will calculate a new rate or amount of withholding for you (this rate or amount may be zero, which means your payer should not be withholding tax from your payments). We will send a letter to you confirming your new rate of withholding. We will also send a notice of withholding variation to all payers that you list on your application to advise them of your new rate of withholding.

If your new rate or amount of withholding is zero, and your rebate income is below the SATO income threshold, you and your payer/s may be advised that this new rate or amount will remain in force indefinitely. If this is the case, you will not have to send any more *PAYG withholding variation applications* to us. Your payer may take some time to adjust your payments to stop tax being withheld. Any tax withheld after 1 July 2010 may be repaid to you by your payer.

If your new rate or amount of withholding is not in force indefinitely, your letter will have an expiry date printed on it. This means that your new rate or amount of withholding will be valid only up to and including this date. To continue to get a reduced amount of tax withheld from your payments after this expiry date, you will have to send another *PAYG withholding variation application* to us. New applications should be lodged at least six weeks before the expiry date.

CALCULATING THE AMOUNT OF YOUR SATO

You do not have to work out your tax offset. We will work it out for you from the information you provide on your application.

However, if you want to calculate how much SATO you are entitled to, you can use the senior Australians and pensioner tax offset calculator. Visit www.ato.gov.au and search for 'Calculating the senior Australians tax offset' or phone **13 28 61**.

The amount of SATO available to you depends on your personal circumstances and the amount of your rebate income. If you have a spouse, the calculation of your actual entitlement is based on your individual rebate income, even though eligibility for the SATO is dependent on you and your spouse's combined rebate income.

! SATO reduces by 12.5 cents for every dollar that your taxable income exceeds the relevant tax threshold.

WILL I STILL HAVE TO LODGE TAX RETURNS?

If you are unsure whether you are required to lodge tax returns, phone **13 28 61**.

Exempt Australian government pensions, allowances and payments

PENSIONS

- Carer payment where both the carer and either the care receiver or all of the care receivers are under age pension age, or the carer is under age pension age and any of the care receivers has died.
- Disability support pension paid by Centrelink to a person who has not reached age pension age.
- Invalidity service pension where the veteran is under age pension age.
- Partner service pension where both the partner and the veteran are under age pension age and the veteran receives an invalidity service pension, or the veteran has died and received an invalidity service pension at the time of death.
- Veterans' Affairs disability pension and allowances, war widows and war widowers pension.
- Wife pension where both the recipient and partner are under age pension age or the recipient is under age pension age and the partner has died.

! *Superannuation Act 1976* and *Defence Forces Retirement Benefits Act 1948* pensions and payments are taxable.

OTHER PAYMENTS

- Carer allowance paid under the *Social Security Act 1991*.
- Disaster relief payment.
- Pensioner education supplement and fares allowance paid by Centrelink.
- Lump sum pension bonus paid under the *Social Security Act 1991* or the *Veterans' Entitlements Act 1986*.
- Mobility allowance paid under the *Social Security Act 1991*.
- Payments from the Commonwealth under the incentives payments scheme relating to certain private health insurance policies.
- Pharmaceutical allowances paid under the *Social Security Act 1991* or the *Veterans' Entitlements Act 1986*.
- Remote area allowance.
- Rent assistance.
- Phone allowance paid under the *Social Security Act 1991* or the *Veterans' Entitlements Act 1986*.
- Loss of earnings allowance paid under the *Veterans' Entitlements Act 1986*.

This is not a complete listing of exempt payments. For the full list, see *TaxPack*. If you need a copy of *TaxPack*, visit www.ato.gov.au or phone **13 28 61**.

Section B: Your payer's details

! If you have more than two payers, attach a separate sheet with the required details.

PAYER 1

B1 Will you be receiving payments from this payer for the full year?

Yes Go to B2.

No Provide one or both of the following dates.

Starting date
Day Month Year
□□ / □□ / □□□□

Finishing date
Day Month Year
□□ / □□ / □□□□

B2 Payer's Australian business number (ABN) □□ □□□ □□□ □□□□ / □□□□

B3 Payer's business name

B4 Pay office postal address (For privacy reasons, this should preferably be a PO box, locked bag or similar address.)

Suburb/town

State/territory

Postcode

B5 Your pay officer's direct phone number □□ □□□□□□□□

B6 Your reference or policy number

! The details for items B7 to B12 are available from your payer. If you do not complete these items, your application will be returned to you for completion.

B7 Gross per pay \$.~~XX~~

B8 Tax withheld per pay \$.~~XX~~

B9 Pay frequency

Weekly Fortnightly Monthly Half-monthly 4-weekly 6-weekly
2-monthly 3-monthly 4-monthly 6-monthly Yearly

B10 Dates of last pay and next pay

Last pay Day Month Year
□□ / □□ / □□□□

Next pay Day Month Year
□□ / □□ / □□□□

B11 Gross payments received since 1 July 2010

(As per date of last pay shown at item B10 above.)

\$.~~XX~~

B12 Tax withheld since 1 July 2010

(As per date of last pay shown at item B10 above.)

\$.~~XX~~

➤ Also include at items **B11** and **B12** the total of your gross assessable payments received and tax withheld since 1 July 2010 for any previous payers.

PAYER 2

For payers who are not withholding tax from your payments (for example, Centrelink or Department of Veterans' Affairs).

! Exempt income should not be included (see page 4 of the instructions).

B1(a) Annual gross income \$.~~XX~~ **(b) Annual tax** \$.~~XX~~

B2 Payer's business name

Section C: Annual income and tax offsets

The estimates you provide on this application should be the amounts you expect to provide on your tax return.

C1 Total gross annual salary and wages \$.X

! When estimating the amounts at items C2 and C3, include any increases you expect to receive during the period 1 July 2010 to 30 June 2011.

C2 Australian government pensions and allowances \$.X PENSION CODE

C3 Australian superannuation income streams (untaxed element) \$.X

C4 Superannuation lump sums (untaxed element) \$.X

C5 Australian non-superannuation annuities \$.X

C6 Interest \$.X

C7 Dividends

(a) Unfranked amount \$.X

(b) Franked amount \$.X

(c) Franking credit \$.X

C8 Other income

Specify the nature of amounts for other income (including net capital gains).
If the amount is a loss, write 'L' in the **LOSS** box.

Specify and attach details.

\$.X LOSS

C9 TOTAL INCOME

Calculate by adding all the amounts for items C1 to C8. If the amount is a loss, write 'L' in the **LOSS** box.

\$.X LOSS

C10 Tax offsets

For example, superannuation income stream tax offset, dependent spouse without children tax offset, housekeeper tax offset and zone tax offsets. You do not have to work out your SATO amount. We will work it out for you from the information you provide on this form. Do not include franking credits or the 30% private health insurance rebate.

Type of tax offset

Amount of tax offset \$.X

C11 Spouse's rebate income \$.X

C12 If your spouse receives a pension, provide the following:

Type of pension

Amount of pension \$.X

C13 Spouse's date of birth Day / Month / Year

Section C: Annual income and tax offsets – continued

C14 Medicare

You can claim an exemption from the Medicare levy only in the following circumstances:

Medicare levy exemption categories	CODE
You are a blind pensioner or you receive the sickness allowance from Centrelink.	A
You are entitled to full free medical treatment for all conditions under Defence Force arrangements or Veterans' Affairs Repatriation Health Card (Gold Card) or repatriation arrangements.	B
You are not an Australian resident for tax purposes.	C
You are a resident of Norfolk Island.	D
You are a member of a diplomatic mission or consular post in Australia – or a member of such a person's family and you are living with them – and you are not an Australian citizen and you do not ordinarily live in Australia.	E

See *TaxPack* for more information on full or half exemption. Only use codes from the above list.

		EXEMPTION CODE
(a) Full exemption: estimated number of days	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/>
(b) Half exemption: estimated number of days	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/>

Section D: Annual deductions

You can claim deductions for expenses incurred in earning your assessable income, including the following.

D1 Work-related expenses	\$ <input type="text"/>	<input checked="" type="checkbox"/> Include any car, travel, uniform, self-education and other work related expenses at this item.
D2 Investment deductions	\$ <input type="text"/>	<input checked="" type="checkbox"/> Include any expenses you can claim as deductions against assessable interest and dividend income at this item.
D3 Other deductions	\$ <input type="text"/>	<input checked="" type="checkbox"/> Include any donations, tax agent fees, rental property expenses, deductible amount of a non-superannuation annuity or a foreign pension or annuity. Provide details in the box below.

Specify

D4 TOTAL DEDUCTIONS	\$ <input type="text"/>	<input checked="" type="checkbox"/> Calculate by adding deductions at items D1 to D3.
D5 TAXABLE INCOME	\$ <input type="text"/>	<input type="checkbox"/> LOSS Calculate by taking your Total deductions (item D4) away from your Total income (item C9). If the amount is a loss, write 'L' in the LOSS box.

Taxpayer's declaration

! We are authorised by taxation laws to collect the information requested on this form. For further information, see 'Privacy' on page 1 of the instructions.

⊖ Penalties may be imposed for giving false or misleading information. You are responsible for the information provided and you must sign the declaration, even though someone else may have helped you complete your application.

I declare that:

- all the information I have given on this application, including any attachments, is true and correct.
- I have shown all my income (including net capital gains) for tax purposes for 2010–11.

SIGNATURE (applicant's original signature only)

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Date

Day	Month	Year
<input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

➔ Send your completed application to:
Australian Taxation Office
Locked Bag 1515
UPPER MT GRAVATT QLD 4122