



Instructions for completing the 2008 PAYG income tax withholding variation (ITWV) application Senior Australians tax offset (SATO) only 1 July 2007 to 30 June 2008

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 2008.

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 2008 at the latest**.

We will process your application within 28 days of receiving it as long as you provide all the required information. We will not be able to meet this turnaround time if we require any more information.

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 Tax Office notice of withholding variation.

Any amounts withheld by your payer before the variation comes into effect will generally not be refunded (see page 4, **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 2008 year tax return to get any refund due.

FINISHING DATE

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

PRIVACY

The Tax Office is authorised by the tax laws to ask for information on this application. We need this information for the purposes of administering those 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.

➤ MORE INFORMATION

- visit our website at www.ato.gov.au
- phone **1300 360 221**, or
- email ITWvariation@ato.gov.au

Business hours for phone contact are 8.00am to 6.00pm, Monday to Friday.

WHERE TO SEND YOUR COMPLETED APPLICATION

ITWV – SATO
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 the Tax Office 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 other Acts administered by the Commissioner.
- The Commissioner 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.
- If you are carrying on a business, you are required to keep records of your relevant income and expenditure in accordance with the record keeping requirements of section 262A of the *Income Tax Assessment Act 1936*.
- 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.

! You will need to complete the following sections of the application.

Section A: Your details

1 Your tax file number (TFN)

The Tax Office is authorised by law to request your TFN. You are not obliged to quote your TFN but not quoting it could increase the chance of a delay or error in the processing of your application.

2 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.

6 Your phone number/s

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

7 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.

8 Tax agent's registration number

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

10 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 our website at www.ato.gov.au or phone 13 28 61.

12 Your status

Tick whichever 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).

Please use a separate page for each payer.

2 Payer's Australian business number (ABN)

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

3 Payer's business name

Show your payer's business name.

4 Pay office postal address

Show your payer's postal address.

5 Your pay officer's direct phone number

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

6 Your reference/policy or pension number

Show your reference/policy or pension 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.

7 Gross payment per period

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

8 Tax withheld per payment

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

9 Payment frequency

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

10 Dates of last payment and next payment

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

11 Gross payments received since 1 July 2007

Show the total payments from your payer, including tax withheld, since 1 July 2007.

12 Tax withheld since 1 July 2007

Show the total amount of tax your payer has withheld from your payments since 1 July 2007.

PAYER 2

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

Complete items 1 and 2 for payers who are not withholding tax from your payments (for example, Centrelink or Department of Veterans' Affairs).

1 Annual gross income and annual tax

Show the total annual gross income you expect to receive from this payer at 1(a) **Annual gross income** and insert zero at (b) **Annual tax**.

2 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 detailed above are included on the separate sheet.

Section C: Annual income and tax offsets

This is an estimate of your income for the 2007–08 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 2 and 3, please include any increases you expect to receive during the period 1 July 2007 to 30 June 2008.

2 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.

3 Other pensions and annuities

Show the amount of pension you expect to receive from any other pension or annuity payer/s (for example, ComSuper).

6 Other income

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

- 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/trust income or partnership loss, and
- net income or loss from business.

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

9 Spouse's taxable income

Show your spouse's taxable income.

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

If your spouse receives a pension, show the type and amount of the pension in the appropriate boxes.

12 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

1–3 Read the notes at these items on the application form before completing them.

5 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

HOW CAN I GET HELP COMPLETING THIS APPLICATION?

If you need help to complete the application, phone **1300 360 221**. Business hours are 8.00am to 6.00pm Monday to Friday.

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 taxable income is below the SATO income threshold (see table on right), 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 ITWV applications to the Tax Office. Your payer may take some time to adjust your payments to stop tax being withheld. Any tax withheld after 1 July 2007 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 ITWV application to the Tax Office. 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 will need to refer to the fact sheet, *Calculating the Senior Australians tax offset*, and follow the instructions on the worksheet appropriate to your circumstances. To get the fact sheet, visit our website on **www.ato.gov.au** or phone **13 28 61**.

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

The table below provides information on the maximum SATO you may be entitled to. The information in this publication is current at March 2007.

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

Category	SATO	Income threshold	Cut-out threshold
You were single.	\$2,230	\$24,867	\$42,707
You had a spouse for the whole income year.	\$1,602	\$20,680	\$33,496
You had a spouse but lived apart due to illness.	\$2,040	\$23,600	\$39,920

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.
- Double orphan pension.
- 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

- Pensioner education supplement and fares allowance paid by Centrelink.
- Carer allowance paid under the *Social Security Act 1991*.
- Disaster relief payment.
- Family tax benefit.
- 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.
- Telephone allowance paid under the *Social Security Act 1991* or the *Veterans' Entitlements Act 1986*.
- Veterans' Affairs loss of earnings allowance.

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



2008 PAYG income tax withholding variation (ITWV) application Senior Australians tax offset (SATO) only 1 July 2007 to 30 June 2008

Office use only

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 2008.

Read the instructions for this application before you fill it in.

Please print in BLOCK LETTERS in ink.

2008 applications may be lodged during the income year. The last date for lodgment is **15 May 2008**.

Section A: Your details

The Tax Office is authorised by the *Taxation Administration Act 1953* to collect your tax file number (TFN). It is not an offence not to quote your TFN but not quoting it could increase the chance of a delay or error in processing your application.

1 Your tax file number (TFN)

2 Have you lodged an **Employment declaration or TFN declaration** with your payer that quotes your TFN? Yes No Exempt Pension recipient

3 Your date of birth / /

4 Your name Title: Mr Mrs Miss Ms Other

Family name Given names

5 Your postal address

Suburb/town State/territory Postcode
Country if other than Australia

6 Your phone number/s (if we need to contact you about your application, it is quicker by phone).

Work Home Mobile

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

Only if this application is not completed by you. By completing this item you are authorising us to deal with this person as the first point of contact.

Phone number Contact name

8 Tax agent's registration number -

Only if this application is completed by your tax agent.

9 Your occupation

10 Are you an Australian resident for tax purposes? Yes No

11 Reason for your application

Reduction in PAYG withholding rate for Senior Australians tax offset

12 Your status Select whichever category applies to you. Single Member of an illness-separated couple Member of a couple

For office use only
Reason codes

1 0 A 1 1 1 A 0

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

Payer 1**1 Will you be receiving payments from this payer for the full year?**

Yes Go to question 2.

No Provide one or both of the following dates.

Starting date

Day Month Year
 / /

Finishing date

Day Month Year
 / /

2 Payer's Australian business number (ABN)

/

3 Payer's business name

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

Suburb/town

State/territory

Postcode

5 Your pay officer's direct phone number**6 Your reference/policy or pension number**

ⓘ The details for items 7 to 12 are available from your payer. If you do not complete these items, your application will be returned to you for completion.

7 Gross payment per payment period \$ **.00**

8 Tax withheld per payment \$ **.00**

9 Payment frequency

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

10 Dates of last payment and next payment

Last payment Day Month Year
 / /

Next payment Day Month Year
 / /

11 Gross payments received since 1 July 2007

(as per date of last payment shown at item 10 above)

\$ **.00**

12 Tax withheld since 1 July 2007

(as per date of last payment shown at item 10 above)

\$ **.00**

➤ Include at items 11 and 12 the total of your gross payments received and tax withheld since 1 July 2007 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. Refer to the notes on 'Exempt Australian government pensions, allowances and payments'.

1(a) Annual gross income \$ **.00** **(b) Annual tax** \$ **.00**

2 Payer's business name

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

1 **Total gross annual salary and wages** \$ -00

! When estimating the amounts at items 2 and 3, please include any increases you expect to receive during the period 1 July 2007 to 30 June 2008.

2 **Australian government pensions and allowances** \$ -00 PENSION CODE

3 **Other Australian pensions and annuities, including any superannuation pensions** \$ -00

4 **Interest** \$ -00

5 **Dividends**

(a) Unfranked amount \$ -00

(b) Franked amount \$ -00

(c) Franking credit \$ -00

6 **Other income**
Specify the nature of amounts for other income (including net capital gains). If the amount is a loss, write L in the CODE box.
Specify and attach details.
 \$ -00 CODE

7 **TOTAL ASSESSABLE INCOME**
Calculate by adding all the amounts for items 1 to 6. If the amount is a loss, write L in the CODE box. **A** \$ -00 CODE

8 **Tax offsets**
For example, superannuation annuity and pension tax offset, dependent spouse without children tax offset, housekeeper tax offset, zone tax offsets and SATO. 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 \$ -00

9 **Spouse's taxable income** \$ -00

10 **If your spouse receives a pension, provide the following:**
Type of pension Amount of pension \$ -00

11 **Spouse's date of birth** / /

12 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.

(a) Full exemption: estimated number of days

(b) Half exemption: estimated number of days

EXEMPTION CODE			
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<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.

1 Work-related expenses \$.00 Include any motor vehicle, travel, uniform, self-education and other work related expenses at this item.

2 Investment deductions \$.00 Include any expenses you can claim as deductions against assessable interest and dividend income at this item.

3 (a) Deductible amount of undeducted purchase price \$.00 Each year your pension provider must give you a payment summary for the year, and most pension providers also give additional information with the payment summary. You may find the deductible amount in that additional information. If not, please contact your pension provider.

(b) Other deductions \$.00 Include any donations, tax agent fees, rental property expenses. Please provide details in the box below.

Specify

4 TOTAL ALLOWABLE DEDUCTIONS **B** \$.00 Calculate by adding deductions at items 1 to 3.

5 TAXABLE INCOME (A – B) = C \$.00 **CODE** Calculate by taking your **Total allowable deductions** (item 4, section D) away from your **Total assessable income** (item 7, section C). If the amount is a loss, write **L** in the **CODE** box provided.

Taxpayer's declaration

Read and sign the declaration after completing your application. Even though someone else may have helped you complete your application, you are responsible for the information provided and you must sign the declaration.

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 2007–08.

SIGNATURE (Applicant's original signature only)

Date

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

⊖ The tax law imposes heavy penalties for giving false or misleading information.

Privacy

The Tax Office is authorised by taxation laws to collect the information requested on this form. For further information see **Privacy** in the attached instructions.

➤ Send your completed application to:
ITWV – SATO
Australian Taxation Office
Locked Bag 1515
UPPER MT GRAVATT QLD 4122