

# Withholding declaration – short version for senior Australians

Complete this declaration if you want to:

- claim your entitlement to the senior Australians tax offset
- claim or stop claiming the tax-free threshold
- advise your payer that you have become (or are no longer) an Australian resident for tax purposes.

Give the completed form to your payer so your rate of withholding can be varied. Make sure you have already given them a *Tax file number declaration* (or an *Employment declaration* or an *Annuity and Superannuation pension declaration* before 1 July 2000).



The information in these instructions is current to **30 June 2012**. You must lodge a new declaration if either:

- you leave your current payer and start to receive payments from a new payer
- your circumstances change.



If you give the wrong information, you may have insufficient amounts withheld from payments made to you and this may result in a significant tax debt at the end of the income year.

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## 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](http://www.ato.gov.au) or contact us.

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

## PRIVACY OF INFORMATION

We are authorised by the *Taxation Administration Act 1953* to collect your tax file number (TFN). You are not required by law to provide your TFN. However, quoting your TFN reduces the risk of administrative errors and having extra tax withheld.

We are authorised to collect information on this declaration by one or more of the following Acts:

- *Income Tax Assessment Act 1936*
- *Income Tax Assessment Act 1997*
- *Social Security Act 1991*
- *Taxation Administration Act 1953*

The Information you provide will help us to administer these Acts and other tax laws.

Where we are authorised by law to do so, we may give this information to other government agencies. These agencies could include Centrelink and the departments of Families, Housing, Community Services and Indigenous Affairs; Veterans' Affairs; and Education, Employment and Workplace Relations.

If you need more information about how the tax laws protect your personal information, or have any concerns about how the Australian Taxation Office (ATO) has handled your personal information, phone **13 28 61** between 8.00am and 6.00pm, Monday to Friday.

# HOW TO COMPLETE THIS FORM

## SECTION A: PAYEE'S DECLARATION

### Questions 1 & 2

Fill in your personal information.

### Question 3

#### What is your tax file number (TFN)?

It is not an offence not to quote your TFN. However, your payer is required to withhold the top rate of tax plus the Medicare levy from all payments made to you if you do not either:

- provide your payer with your TFN
- claim an exemption from quoting your TFN.

#### ➤ NEED TO KNOW YOUR TFN?

You will find your TFN on:

- your income tax notice of assessment
- correspondence sent to you by the ATO
- a payment summary issued by your payer.

If you have a tax agent, they may also be able to tell you your TFN.

If you still can't find your TFN you can:

- phone **13 28 61** between 8.00am and 6.00pm, Monday to Friday
- visit your nearest shopfront (phone **13 28 61** to make an appointment)
- complete a *Tax file number – application or enquiry for individuals* (NAT 1432).

If you phone or visit us we need to know we are talking to the correct person before discussing your tax affairs. We will ask you for details only you, or your authorised representative would know.

Print  in the appropriate box if you:

- have lodged a *Tax file number – application or enquiry for individuals* (NAT 1432) or made a phone or counter enquiry to obtain your TFN
- are claiming an exemption from quoting a TFN. You are exempt from quoting your TFN if you either:
  - receive certain Centrelink pensions, benefits or allowances or a service pension from the Department of Veterans' Affairs. However you will need to quote your TFN if you receive Austudy, Newstart, sickness or parenting allowance
  - receive benefits from the Military Rehabilitation and Compensation Commission.

For more information about privacy and TFNs, see 'Privacy of information' on the opposite page.

### Question 4

This question has been removed. From 1 July 2007 your payer must pass your TFN to the superannuation fund to which the payer is making contributions. Giving your TFN to your super fund will:

- make it easier to trace different super accounts in your name so that you receive all your super when you retire
- allow your super fund to accept all types of contributions to your accounts
- ensure that the tax on contributions to your super accounts will not increase.

### Question 5

#### Are you an Australian resident for tax purposes?

Generally, we consider you to be an Australian resident for tax purposes if you either:

- have always lived in Australia or you have come to Australia and now live here permanently
- are an overseas student doing a course that takes more than six months to complete
- have been in Australia continuously for six months or more and for most of that time you worked in the one job and lived in the same place
- will be or have been in Australia for more than half of 2011–12 (unless your usual home is overseas and you do not intend to live in Australia).

If you go overseas temporarily and do not set up a permanent home in another country, you may continue to be treated as an Australian resident for tax purposes.

The criteria we use to determine your residency status are not the same as those used by the Department of Immigration and Citizenship or Centrelink.

#### ⊖ FOREIGN RESIDENT TAX RATES ARE DIFFERENT

A higher rate of tax applies to a foreign resident's taxable income and foreign residents are not entitled to a tax-free threshold.

You are not entitled to claim the tax-free threshold and tax offsets if you are not an Australian resident for tax purposes. However, there is an exception with zone or overseas forces tax offsets.

If you need help deciding whether or not you are an Australian resident for tax purposes, go to 'More information' on page 6.

Answer 'NO' to this question if you are not an Australian resident for tax purposes. You must also answer 'NO' to question 6.

### Question 6

#### Are you claiming or do you want to claim the tax-free threshold from this payer?

The tax-free threshold is the amount of income you can earn each year that is not taxed (currently, the tax-free threshold applies to the first \$6,000 of your annual income). It is only available to people who are Australian residents for tax purposes.

Answer 'YES' if you:

- are an Australian resident for tax purposes
- are not currently claiming the tax-free threshold from another payer, and
- want to claim the tax-free threshold.

#### ! LOW INCOME TAX OFFSET

If you answer 'YES', your payer will reduce your withholding to allow a claim for 70% of the low income tax offset amount where your payment is at the relevant level.

Answer 'NO' if you either:

- answered 'NO' to question 5
- have claimed the tax-free threshold from another payer
- do not wish to claim the tax-free threshold.

If you want to change the payer you are currently claiming the tax-free threshold with, you must also give that payer a *Withholding declaration – short version for senior Australians* (NAT 5072) to advise them that you no longer want to claim the tax-free threshold with them.

#### ! DO YOU HAVE MORE THAN ONE JOB OR PAYER?

You can claim the tax-free threshold from only one payer at a time. Generally, you should claim it from the payer you expect to pay you the most during the income year.

If you receive any taxable Centrelink payments or allowances such as Newstart or Austudy, you are probably already claiming the tax-free threshold with Centrelink. If you are, you cannot also claim it with another payer.

If you expect to earn more than \$16,500 from the job where you have claimed the tax-free threshold, you may end up with a tax debt at the end of the income year.

To avoid having a debt, you should ask one or more of your payers to withhold additional amounts by completing a *Withholding declaration – upwards variation* form (NAT 5367).

For more information on deciding whether you can claim the tax-free threshold or which payer you should claim it from, see 'More information' on page 6.

**Question 7**

**Do you want to claim the senior Australians tax offset by reducing the amount withheld from payments made to you?**

Answer 'NO' if you are either:

- not eligible for the senior Australians tax offset
- eligible and want to claim your entitlement to the tax offset as a lump sum in your end-of-year income tax assessment.

Answer 'YES' if you are eligible and you choose to receive the senior Australians tax offset by reducing the amount withheld from payments made to you during the year.

**⊖ CLAIM THE TAX OFFSET WITH ONLY ONE PAYER**

It is against the law to claim tax offsets with more than one payer at the same time.

If your income comes from more than one source, do not complete this question for any of your payers. Contact us for more information, see page 6.

To be eligible for the senior Australians tax offset, you must meet conditions 1, 2, 3 and 4 explained below.

**Condition 1: Age**

To meet this condition, on 30 June 2012 you must be either:

- a male aged 65 years or more, or a female aged 64 years and six months or more
- a male veteran or war widower aged 60 years or more, or a female veteran or war widow aged 59 years and six months or more who meets the veteran pension age test.

**Veteran pension age test**

You meet the veteran pension age test if one of the following applies to you and you would be eligible for a pension, allowance or benefit under the *Veterans' Entitlements Act 1986*:

- you have eligible war service, that is, service in World War I or World War II or operational service as a member of Australia's defence forces
- you are a Commonwealth or allied veteran who served in a conflict in which Australia's defence forces were engaged during a period of hostilities, that is, World War I or World War II, or in Korea, Malaya, Indonesia or Vietnam
- you are an Australian or allied mariner who served during World War II
- you are the war widow or war widower of a former member of Australia's defence forces.

'Pension, allowance or benefit' includes disability pension, service pension and white or gold Repatriation Health Cards for treatment entitlements.

If you are unsure whether you meet the veteran pension age test, contact the Department of Veterans' Affairs, see 'More information' on page 6.

**Condition 2: Eligibility for an Australian Government age pension or similar type of payment**

To meet this condition, you must fit into one of the following categories:

- A** You are receiving an Australian Government age pension, or a pension allowance or benefit from the Department of Veterans' Affairs, at any time during the 2011–12 income year.
- B** You would be eligible for an Australian Government age pension, but are not receiving one because you have not made a claim or because of the application of the income test or the assets test and you satisfy one of the following:
  - you have been an Australian resident for age pension purposes for either 10 continuous years, or for more than 10 years, of which five years were continuous
  - you have a qualifying residence exemption (because you arrived in Australia as a refugee or under a special humanitarian program)
  - you are a woman who was widowed in Australia (at a time when both you and your late partner were Australian residents) and you have made a claim for the age pension and you had two years' residence immediately prior to your claim
  - you received a widow B pension, widow allowance, mature age allowance or partner allowance immediately before turning the age pension age
  - you qualify under an international social security agreement.
- C** You are a veteran with eligible war service or a Commonwealth veteran, allied veteran or allied mariner with qualifying service and you are eligible for a pension, allowance or benefit from the Department of Veterans' Affairs but are not receiving it because you have not made a claim or because of the application of the income test or the assets test.

See 'More information' on page 6 if you need help working out your eligibility for:

- social security or Centrelink pension – contact Centrelink
- a veteran payment – contact the Department of Veterans' Affairs
- all other enquiries relating to the senior Australians tax offset – contact us.

**Condition 3: Rebate income threshold**

**!** Your rebate income is used to determine your eligibility for the senior Australians tax offset. Your rebate income includes your:

- taxable income
- adjusted fringe benefits (reportable fringe benefits multiplied by 0.535)
- total net investment loss (this includes both net financial investment loss and net rental property loss)
- reportable superannuation contributions (this includes both reportable employer superannuation contributions and deductible personal superannuation contributions).

For more information, refer to Income tests. You can access this publication from our website at [www.ato.gov.au/incometests](http://www.ato.gov.au/incometests)

To meet this condition for the 2011–12 income year, you must satisfy one of these rebate income thresholds:

- you do not have a spouse and your rebate income will be less than \$48,526
- you have a spouse and your combined rebate income will be less than \$78,993, or
- you have a spouse, and for some or all of the income year you have to live apart due to illness or because one of you is in a nursing home, and you and your spouse’s combined rebate income will be less than \$91,841.

Your spouse includes another person (whether of the same or opposite sex) who:

- you are in a relationship that is registered under a prescribed state or territory law
- although not legally married to you lives with you on a genuine domestic basis in a relationship as a couple.

The threshold amounts shown here relate to determining your eligibility for the senior Australians tax offset – they are not tax-free thresholds.

**!** The term ‘have to live apart due to illness’ applies when you and your spouse are paying higher living expenses because:

- one or both of you has a continuing illness or infirmity, and
- you cannot live together in your home as a result.

**Condition 4: Not in jail**

To meet this condition, you must not have been in jail for the whole income year (1 July 2011 to 30 June 2012).

**How your rebate income affects the amount of your tax offset**

If you meet conditions 1, 2, 3 and 4 described above, you are eligible for the senior Australians tax offset. Being eligible means that you may receive the senior Australians tax offset. Your own rebate income will be used to work out the amount of your tax offset. The combined rebate income amounts set out in condition 3 are used for eligibility purposes and not for working out the amount you will receive.

You will receive the maximum senior Australians tax offset if your rebate income is equal to or below the rebate income thresholds shown in column 1 in table A. A reduced tax offset will apply where your rebate income is above the thresholds shown in column 1 but less than the cut-out threshold shown in column 2.

Contact us for more information about the senior Australians tax offset, see ‘More information’ on page 6.

**TABLE A: Rebate income thresholds for senior Australians tax offset**

	Column 1 Tax-free threshold	Column 2 Cut-out threshold
<b>Senior Australians</b>		
Single	\$30,685	\$48,525
Each member of a couple	\$26,680	\$39,496
Each member of an illness-separated couple	\$29,600	\$45,920

## **SECTION B: PAYER'S DECLARATION**

This section is to be completed by the payer. The following information will help you comply with your pay as you go (PAYG) withholding obligations.

### **Payer obligations**

If you withhold amounts from payments, or are likely to withhold amounts, the payee may give you this form with Section A completed. A *Withholding declaration* applies to payments made after the declaration is provided to you. The information provided on this form is used to determine the amount of tax to be withheld from payments based on the PAYG withholding tax tables published by the ATO. If the payee gives you another declaration, it overrides any previous declarations.

### **Storing and disposing of withholding declarations**

The information in the completed *Withholding declaration* form must be treated in confidence. Once you have completed, signed and dated the declaration, file the declaration form.

#### **Do not send the declaration to the ATO.**

Under the TFN guidelines in the *Privacy Act 1988*, you must use secure methods when storing and disposing of TFN information. Under tax laws, if a payee submits a new *Withholding declaration* or leaves your employment, you must still keep this declaration for the current and next financial year.

### **Declaration**

Make sure that you have signed and dated the declaration. Give your completed declaration to your payer.

## ➤ MORE INFORMATION

### Useful Products

You can get the following forms and publications from [www.ato.gov.au/onlineordering](http://www.ato.gov.au/onlineordering) or by phoning **1300 720 092** (some of these products are also available from most newsagents):

- *Tax file number declaration* (NAT 3092)
- *Withholding declaration* (NAT 3093)
- *Tax file number – application or enquiry for individuals* (NAT 1432)
- *Tax file numbers* (NAT 1753)

You can access Income tests from [www.ato.gov.au/incometests](http://www.ato.gov.au/incometests)

### Internet

- Visit [www.ato.gov.au](http://www.ato.gov.au) – download publications, rulings and other general tax information.

### Phone

- Personal tax enquiries phone **13 28 61** between 8.00am and 6.00pm, Monday to Friday. You can get help to complete this form, receive information about claiming the tax-free threshold, Australian residency and senior Australians tax offset.
- PAYG withholding variation enquiries phone **1300 360 221** between 8.00am and 6.00pm, Monday to Friday. You can also receive information on claiming the tax offset if you have income from more than one source.

### Other Services

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 us 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](http://www.relayservice.com.au) and ask for the ATO number you need.

If you would like further information about the National Relay Service, phone **1800 555 660** or email [helpdesk@relayservice.com.au](mailto:helpdesk@relayservice.com.au)

### Other agencies

#### Centrelink

For help working out your eligibility for a social security or Centrelink pension:

- visit [www.centrelink.gov.au](http://www.centrelink.gov.au)
- phone **13 23 00** between 8.30am and 5.00pm, Monday to Friday.

#### Department of Veterans' Affairs

If you are a veteran and not sure whether you are eligible for a payment:

- visit [www.dva.gov.au](http://www.dva.gov.au)
- phone **13 32 54** between 8.30am and 5.00pm, Monday to Friday.



Complete this declaration to authorise your payer to adjust the amount of tax withheld from payments made to you.

You must provide, or have previously provided, your payer with a completed *Tax file number declaration* (NAT 3092) (or *Employment declaration* or *Annuity and superannuation pension declaration* completed before 1 July 2000), quoting your tax file number or claiming an exemption from quoting it, before you can make a *Withholding declaration*.

**!** The information in the completed *Withholding declaration – short version for senior Australians* form must be treated in confidence.

- Read the Instructions before completing this declaration.
- Print neatly in BLOCK LETTERS and use a black or dark blue pen.
- Print  in the appropriate boxes.

## Section A: Payee's declaration

**➤** To be completed by payee.

**1 What is your name?** Title: Mr  Mrs  Miss  Ms  Other

Family name

Given names

**2 What is your date of birth?** Day /Month /Year

**3 What is your tax file number (TFN)?**

If you have not provided your TFN, indicate if any of the following reasons apply:

- I have lodged a TFN application.  I am claiming an exemption because I am a pensioner.

**➤** See 'Privacy of information' inside the front cover of the Instructions.

**4 This question has been removed.** Refer to **question 4** in the instructions.

**5 Are you an Australian resident for tax purposes?** Yes  No  You must answer 'NO' at questions 6.

**6 Are you claiming or do you want to claim the tax-free threshold from this payer?** Yes  No

**7 Do you want to claim the senior Australians tax offset by reducing the amount withheld from payments made to you?** Yes  No

- Are you:  Single  A member of an illness-separated couple  A member of a couple

### DECLARATION BY PAYEE

I declare that the information I have given on this form is true and correct.

**●** There are penalties for deliberately making a false or misleading statement.

Signature of payee

Date Day /Month /Year

## Section B: Payer's declaration

➤ To be completed by payer.

❗ The information in the completed *Withholding declaration – short version for senior Australians* form must be treated in confidence.

### YOUR DETAILS

1 What is your Australian business number (ABN) (or your withholding payer number if you are not in business)?

2 What is your registered business name or trading name (or your individual name if you are not in business)?

### ➤ HOW MUCH SHOULD YOU WITHHOLD?

The payee's answers at questions 5 and 6 will indicate which of the weekly, fortnightly or monthly tax tables you should use as the base rate of withholding.

A 'YES' answer at question 7 will generally require a variation of the rate of withholding specified in the tax tables.

### DECLARATION BY PAYER

I declare that the information I have given on this form is true and correct.

⊖ There are penalties for deliberately making a false or misleading statement.

Signature of payer

Date / /

### WRITTEN NOTICE

This declaration will constitute written notice under section 15-15 of Schedule 1 to the *Taxation Administration Act 1953* of the Commissioner's approval to vary the amount required to be withheld where:

- the payee has notified the payer of the varied rate of withholding in writing on this approved form at Section A, and
- the varied rate or increased amount of withholding results in a higher amount of withholding than would otherwise apply under the PAYG withholding tax tables or by regulation for the relevant withholding event, or
- the rate of withholding indicated by the payee results in a lesser amount of withholding than would otherwise apply under the PAYG withholding tax tables or by regulation for the relevant withholding event (then the latter rate applies), and
- the payee has given a completed *Tax file number declaration* (or *Employment declaration* or *Annuity and superannuation pension declaration*) to the payer, or they have entered into a voluntary agreement with the payer.

### STORING AND DISPOSING OF WITHHOLDING DECLARATIONS

The information in the completed *Withholding declaration* form must be treated in confidence. Once you have completed, signed and dated the declaration, you should file it. **Do not send it to the ATO.**

Under the TFN guidelines in the *Privacy Act 1988*, you must use secure methods when storing and disposing of TFN information. Under tax laws, if a payee submits a new *Withholding declaration* or leaves your employment, you must still keep this declaration for the current and next financial year.

⊖ Do not send this declaration form to the ATO.



