

# Medicare levy adjustment monthly tax table

! For payments made on or after 1 July 2014

## Using this table

You should use this table if you make payments to your employee on a monthly basis and they are entitled to a Medicare levy adjustment.

! This table should be read with the *Monthly tax table* (NAT 1007) and the *Medicare levy variation declaration* (NAT 0929)

> For a full list of tax tables, visit our website at [ato.gov.au/taxtables](http://ato.gov.au/taxtables)

We have a calculator to help work out the correct amount of tax to withhold from payments to most employees. To access the calculator, visit our website at [ato.gov.au/taxwithheldcalculator](http://ato.gov.au/taxwithheldcalculator)

## When your employee is entitled to a Medicare levy adjustment

Your employee is entitled to an adjustment if they meet **all** of the following requirements:

- they have provided you with a *Medicare levy variation declaration* (NAT 0929) in which they
  - claimed dependants
  - answered **yes** to question 10 'Is the combined weekly income of you and your spouse, or your income as a sole parent, less than the relevant amount in Table 1.
- they have monthly earnings of \$1,711 or more, but less than the corresponding amount in column A of table 1 – for example, an employee who claims two dependent children must have monthly earnings of less than \$4,237 to be entitled to a Medicare levy adjustment.

! No Medicare levy is payable on monthly earnings of less than \$1,711.

If your employee claims more than 10 children, the column A amount is \$6,867, plus \$329 for each child claimed in excess of 10.

Column B shows the values used in calculating adjustments for employees with more than five dependent children. If your employee claims more than 10 dependent children, the column B amount is \$5,493.92 plus \$263.00 for each child in excess of 10.

> For information about how to use Table 1, see 'Working out the Medicare levy adjustment' on page 2




**Table 1: Medicare levy adjustments**

	Column A	Column B
Spouse only	\$3,579	—
Number of children		
1	\$3,908	—
2	\$4,237	—
3	\$4,566	—
4	\$4,894	—
5	\$5,223	—
6	\$5,552	\$4,441.92
7	\$5,881	\$4,704.92
8	\$6,209	\$4,967.92
9	\$6,538	\$5,230.92
10	\$6,867	\$5,493.92

## Working out the withholding amount

To work out the amount you need to withhold, you must:

- 1 Use the *Monthly tax table* (NAT 1007) to find the monthly amount to withhold from your employee's earnings, allowing for any tax offsets claimed.
- 2 Reduce this amount by the amount of the Medicare levy adjustment, worked out as detailed.

 Where the adjustment equals or exceeds the amount obtained in step 1 the amount to be withheld is nil.

## Working out the Medicare levy adjustment

How you work out the Medicare levy adjustment varies depending on the number of dependent children your employee is claiming, see either:

- 'Employee claiming spouse and/or one to five dependent children'
- 'Employee with more than five dependent children'.

### Employee claiming spouse and/or one to five dependent children

Use the table on page 4 to find your employee's monthly earnings or the nearest lower figure, in the 'Monthly earnings' column and the corresponding amount of Medicare levy adjustment in the appropriate column.

#### Example

The employee has monthly earnings of \$1,806.24 and is claiming four dependent children on the Medicare levy variation declaration. Find \$1,806.24 or the closest lower amount (in this case \$1,802.67) in the 'Monthly earnings' column and find the corresponding Medicare levy adjustment of \$9.00 from the '4 child' column.

### Employee with more than five dependent children

How you work out the Medicare levy adjustment for an employee with more than five dependent children varies depending on the monthly earnings of your employee, refer to:

- 'Monthly earnings less than \$4,179' on page 3
- 'Monthly earnings of \$4,179 or more but less than the column B amount that corresponds to the number of dependent children claimed' on page 3
- 'Monthly earnings of \$4,179 or more and greater than the column B amount but less than the column A amount that corresponds to the number of dependent children claimed' on page 3.

## Monthly earnings less than \$4,179

Use the '5 child' column. Use the table on page 4 to find your employee's earnings – or the nearest lower figure, in the 'Monthly earnings' column and find the corresponding amount of Medicare levy adjustment from the '5 child' column.

### Example

The employee has monthly earnings of \$1,779.48 and is claiming six dependent children. Find \$1,779.48, or the nearest lower amount (in this case \$1,776.67), in the 'Monthly earnings' column and find the corresponding Medicare levy adjustment of \$9.00 from the '5 child' column.

## Monthly earnings of \$4,179 or more but less than the column B amount that corresponds to the number of dependent children claimed

Round the monthly earnings down to the next dollar amount. Take 2.0% of that amount and round to the nearest dollar.

### Example

The employee has monthly earnings of \$4,239.60 and is claiming seven dependent children. Take 2.0% of \$4,239.00 (the next lower dollar amount), this equals \$84.78.

The Medicare levy adjustment is \$85, rounded to the nearest dollar.

## Monthly earnings of \$4,179 or more and greater than the column B amount but less than the column A amount that corresponds to the number of dependent children claimed

Complete steps 1–4 below:

- 1 Take 2.0% of the relevant column B amount. Round the result to the nearest cent.
- 2 Take 8.0% of the difference between the monthly earnings (round down to the next dollar) and the column B amount. Round the result to the nearest cent.
- 3 Subtract the result of step 2 from step 1.
- 4 Round the result to the nearest dollar.

### Example

The employee has monthly earnings of \$5,000.17 and is claiming eight dependent children.

- 1  $2.0\% \times \$4,967.92$  (column B amount for eight children)  
= \$99.36
- 2  $8.0\% \times (\$5,000 - \$4,967.92)$   
=  $8.0\% \times \$32.08$   
= \$2.57
- 3  $\$99.36 - \$2.57$   
= \$96.79
- 4 \$97.00 (\$96.79 rounded to the nearest dollar).

The Medicare levy adjustment is \$97.

## Using a formula

The withholding amounts shown in this table can be expressed in a mathematical form.

If you have developed your own payroll software package, refer to *Statement of formulas for calculating amounts to be withheld* (NAT 1004) available on our website at [ato.gov.au/taxtables](http://ato.gov.au/taxtables)

## PAYG withholding publications

You can access all PAYG withholding tax tables and other PAYG withholding publications quickly and easily from our website at [ato.gov.au/paygw](http://ato.gov.au/paygw)

Copies of weekly and fortnightly tax tables are available from selected newsagents. Selected newsagents also hold copies of the following:

- *Tax file number declaration* (NAT 3092)
- *Withholding declaration* (NAT 3093).









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Monthly earnings \$	Spouse only \$	1 child \$	2 child \$	3 child \$	4 child \$	5 child \$
4654.00	—	—	—	—	17.00	43.00
4658.33	—	—	—	—	17.00	43.00
4662.67	—	—	—	—	17.00	43.00
4667.00	—	—	—	—	17.00	43.00
4671.33	—	—	—	—	17.00	43.00
4675.67	—	—	—	—	17.00	43.00
4680.00	—	—	—	—	17.00	43.00
4684.33	—	—	—	—	17.00	43.00
4688.67	—	—	—	—	17.00	43.00
4693.00	—	—	—	—	17.00	43.00
4697.33	—	—	—	—	17.00	43.00
4701.67	—	—	—	—	13.00	43.00
4706.00	—	—	—	—	13.00	39.00
4710.33	—	—	—	—	13.00	39.00
4714.67	—	—	—	—	13.00	39.00
4719.00	—	—	—	—	13.00	39.00
4723.33	—	—	—	—	13.00	39.00
4727.67	—	—	—	—	13.00	39.00
4732.00	—	—	—	—	13.00	39.00
4736.33	—	—	—	—	13.00	39.00
4740.67	—	—	—	—	13.00	39.00
4745.00	—	—	—	—	13.00	39.00
4749.33	—	—	—	—	13.00	39.00
4753.67	—	—	—	—	13.00	39.00
4758.00	—	—	—	—	9.00	39.00
4762.33	—	—	—	—	9.00	35.00
4766.67	—	—	—	—	9.00	35.00
4771.00	—	—	—	—	9.00	35.00
4775.33	—	—	—	—	9.00	35.00
4779.67	—	—	—	—	9.00	35.00
4784.00	—	—	—	—	9.00	35.00
4788.33	—	—	—	—	9.00	35.00
4792.67	—	—	—	—	9.00	35.00
4797.00	—	—	—	—	9.00	35.00
4801.33	—	—	—	—	9.00	35.00
4805.67	—	—	—	—	9.00	35.00
4810.00	—	—	—	—	4.00	35.00
4814.33	—	—	—	—	4.00	30.00
4818.67	—	—	—	—	4.00	30.00
4823.00	—	—	—	—	4.00	30.00
4827.33	—	—	—	—	4.00	30.00
4831.67	—	—	—	—	4.00	30.00
4836.00	—	—	—	—	4.00	30.00
4840.33	—	—	—	—	4.00	30.00
4844.67	—	—	—	—	4.00	30.00
4849.00	—	—	—	—	4.00	30.00
4853.33	—	—	—	—	4.00	30.00
4857.67	—	—	—	—	4.00	30.00
4862.00	—	—	—	—	4.00	30.00
4866.33	—	—	—	—	—	30.00
4870.67	—	—	—	—	—	26.00
4875.00	—	—	—	—	—	26.00
4879.33	—	—	—	—	—	26.00
4883.67	—	—	—	—	—	26.00
4888.00	—	—	—	—	—	26.00
4892.33	—	—	—	—	—	26.00
4896.67	—	—	—	—	—	26.00
4901.00	—	—	—	—	—	26.00
4905.33	—	—	—	—	—	26.00
4909.67	—	—	—	—	—	26.00
4914.00	—	—	—	—	—	26.00
4918.33	—	—	—	—	—	26.00
4922.67	—	—	—	—	—	22.00
4927.00	—	—	—	—	—	22.00
4931.33	—	—	—	—	—	22.00
4935.67	—	—	—	—	—	22.00
4940.00	—	—	—	—	—	22.00
4944.33	—	—	—	—	—	22.00
4948.67	—	—	—	—	—	22.00
4953.00	—	—	—	—	—	22.00

Monthly earnings \$	Spouse only \$	1 child \$	2 child \$	3 child \$	4 child \$	5 child \$
4957.33	—	—	—	—	—	22.00
4961.67	—	—	—	—	—	22.00
4966.00	—	—	—	—	—	22.00
4970.33	—	—	—	—	—	22.00
4974.67	—	—	—	—	—	22.00
4979.00	—	—	—	—	—	17.00
4983.33	—	—	—	—	—	17.00
4987.67	—	—	—	—	—	17.00
4992.00	—	—	—	—	—	17.00
4996.33	—	—	—	—	—	17.00
5000.67	—	—	—	—	—	17.00
5005.00	—	—	—	—	—	17.00
5009.33	—	—	—	—	—	17.00
5013.67	—	—	—	—	—	17.00
5018.00	—	—	—	—	—	17.00
5022.33	—	—	—	—	—	17.00
5026.67	—	—	—	—	—	17.00
5031.00	—	—	—	—	—	13.00
5035.33	—	—	—	—	—	13.00
5039.67	—	—	—	—	—	13.00
5044.00	—	—	—	—	—	13.00
5048.33	—	—	—	—	—	13.00
5052.67	—	—	—	—	—	13.00
5057.00	—	—	—	—	—	13.00
5061.33	—	—	—	—	—	13.00
5065.67	—	—	—	—	—	13.00
5070.00	—	—	—	—	—	13.00
5074.33	—	—	—	—	—	13.00
5078.67	—	—	—	—	—	13.00
5083.00	—	—	—	—	—	13.00
5087.33	—	—	—	—	—	9.00
5091.67	—	—	—	—	—	9.00
5096.00	—	—	—	—	—	9.00
5100.33	—	—	—	—	—	9.00
5104.67	—	—	—	—	—	9.00
5109.00	—	—	—	—	—	9.00
5113.33	—	—	—	—	—	9.00
5117.67	—	—	—	—	—	9.00
5122.00	—	—	—	—	—	9.00
5126.33	—	—	—	—	—	9.00
5130.67	—	—	—	—	—	9.00
5135.00	—	—	—	—	—	9.00
5139.33	—	—	—	—	—	4.00
5143.67	—	—	—	—	—	4.00
5148.00	—	—	—	—	—	4.00
5152.33	—	—	—	—	—	4.00
5156.67	—	—	—	—	—	4.00
5161.00	—	—	—	—	—	4.00
5165.33	—	—	—	—	—	4.00
5169.67	—	—	—	—	—	4.00
5174.00	—	—	—	—	—	4.00
5178.33	—	—	—	—	—	4.00
5182.67	—	—	—	—	—	4.00
5187.00	—	—	—	—	—	4.00
5191.33	—	—	—	—	—	4.00
5195.67	—	—	—	—	—	—
5200.00	—	—	—	—	—	—
5204.33	—	—	—	—	—	—
5208.67	—	—	—	—	—	—
5213.00	—	—	—	—	—	—
5217.33	—	—	—	—	—	—
5221.67	—	—	—	—	—	—
5226.00	—	—	—	—	—	—
5230.33	—	—	—	—	—	—

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