

## PAYROLL TAX REBATE FOR TRAINEES AND APPRENTICES

Did you know that the wages paid to new entrant trainees are exempt from payroll tax?

Exemption of wages paid to:

- New Entrant Trainees

for as many years as they stay in training.

## HOW TO CLAIM THE 5.5% REBATE

It really couldn't be simpler...

- The exemption is automatically calculated when you lodge a return online.

Does someone else do your accounts or wages?

- Simply advise them which staff are apprentices or new entrant trainees.

Don't pay payroll tax?

- Keep the rebate in mind for when you do.

Our example overleaf demonstrates how to work out your Payroll Tax rebate and the savings you will make.

**PAYROLL  
TAX  
REBATE**

**5.5%**

**SAVE  
\$\$\$**

## **PAYROLL TAX REBATE FOR TRAINEES**

Wages for new entrant trainees are exempt from payroll tax.

Determine what trainees you have and calculate their eligible wages. For example if you have a new entrant trainee, work out their eligible wages.

If in that year you paid them \$50 000 – this is the amount that you can claim the rebate for. The Payroll Tax rate is 5.5% so the rebate on \$50 000 would be \$2750.

Next – work out the number of years that your trainee will remain registered.

Many traineeships are for two years. Even those for one year allow the trainee to continue on to the next qualification level and retain their exemption to Payroll Tax.

Let's say that the trainee is in a one year traineeship and then continue into a second qualification under that traineeship for a further two years.

This means the Payroll Tax exemption applies for three years.

In our example this is 3 x \$2750 (each year)

Your total Payroll Tax savings would be: \$8250.

### **IMPORTANT NOTICE**

The Australian College of Commerce and Management has sourced this information from the Department of Finance website <https://www.finance.wa.gov.au> as at 31 August 2017. It is the responsibility of employers to check Payroll Tax rules at the time they make decisions about Payroll Tax issues and they should not rely on this information sheet in isolation.

**Here's an  
EXAMPLE**

**Take your  
5.5%  
Payroll Tax**

**On a \$50k  
wage that's  
\$2750 in  
ONE year**

**Over THREE  
years save  
\$8250**