

PAYROLL TAX REBATE FOR TRAINEES AND APPRENTICES

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

A Payroll Tax rebate on wages paid to:

- Apprentices
- New Entrant Trainees

for as many years as they stay in training.

HOW TO CLAIM THE 5.45% REBATE

There are TWO ways to claim...

- As you do your payroll tax calculations, deduct the rebate amount and reduce your monthly payments
- Claim it at the end of the financial year when you do your payroll tax reconciliation

Does someone else do your accounts or wages?

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

Don't pay payroll tax?

- Okay, but 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**

5.45%

**SAVE
\$\$\$**

NSW

PAYROLL TAX REBATE FOR TRAINEES AND APPRENTICES

Wages for new entrant trainees attract a Payroll Tax rebate.

Determine what trainees you have and calculate their eligible wages. For example if you have two trainees and in that year you paid them \$50 000 – this is the amount you claim the rebate for.

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

Many traineeships are for 2 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 both of your trainees are in a one year traineeship and then continue into a second qualification under that traineeship that is for a further two years. This means the Payroll Tax exemption applies for three years.

In our example, this equates to 3 x \$2725 (each year)

This means 3 years of Payroll Tax rebates.

In our example this is 3 x \$2725.

Your total Payroll Tax savings would be: \$8175.

IMPORTANT NOTICE

The Australian College of Commerce and Management has sourced this information from the Office of State Revenue website <http://www.osr.nsw.gov.au> as at 01 August 2016. 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
5.45%
Payroll Tax

On a \$50k
wage that's
\$2725

In **ONE** year
you save
\$2725

Over **THREE**
you save
\$8175