

PAYROLL TAX REBATE FOR RE-EMPLOYED TRAINEES & APPRENTICES

Did you know that the wages paid to apprentices and trainees who you have *re-employed* from 01/07/16, are exempt from payroll tax?

If the re-employment of an out-of-trade apprentice or trainee satisfies the exemption requirements, the wages paid or payable to them are exempt wages.

HOW TO CLAIM THE EXEMPTION

If you are certain that the exemption requirements are satisfied and the wages paid to the re-employed apprentice or trainee are exempt wages, you do not have to include them in your taxable wages on payroll tax returns.

Does someone else do your accounts or wages?

- Simply advise them which staff are *re-employed* apprentices or 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
EXEMPTION

RE-EMPLOYED
TRAINEES &
APPRENTICES

4.85%

PAYROLL TAX EXEMPTION FOR RE-EMPLOYED TRAINEES AND APPRENTICES

Wages are exempt if they are paid or payable to a re-employed apprentice or trainee:

- Whose initial employment ceased prior to the completion of their approved training contract,
- Who has been employed by another employer on or after 1 July 2016, and
- Who is continuing with the same type of approved training contract

The exemption is equal to 4.85% x \$50,000 i.e. \$2425.

This saves you \$2425 each year.

EXAMPLE OF ELIGIBILITY:

Lets say that your trainee began their traineeship with another company but their employment terminated after July 2016. Your company has now employed this person as a trainee under the same type of training contract as their original employment.

Your company will be eligible for a payroll tax exemption for wages paid to your trainee while they are employed with you.

IMPORTANT NOTICE

The Australian College of Commerce and Management has sourced this information from State Revenue Office of Victoria website <http://www.sro.vic.gov.au/payroll-tax> as at 01/01/2020. 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
4.85%
Payroll Tax

On a \$50k
wage that's
\$2425

In **ONE** year
you save
\$2425