

Schedule 13 – Tax table for superannuation income streams

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Abstract:

For payments made in the 2015 income year. Use this table to calculate amounts to be withheld from superannuation income stream benefit payments, including superannuation death benefit income stream payments. NAT 70982

For payments made on or after 1 July 2014

This document is a withholding schedule made by the Commissioner of Taxation in accordance with sections 15-25 and 15-30 of Schedule 1 to the *Taxation Administration Act 1953* (TAA). It applies to withholding payments covered by paragraph 12-80 (a) of Schedule 1 to the TAA.

Using this table

You should use this table if you make a payment of a super income stream benefit, including a super death benefit income stream to your payee.

Find out more

For a full list of tax tables, refer to [Tax tables](#).

Tax file number (TFN) declarations

The answers your payees provide on their [Tax file number declaration](#) (NAT 3092) determine the amount you need to withhold from their payments. A *Tax file number declaration* applies to any payments made after you receive the declaration. If you receive an updated declaration from a payee, it will override the previous one.

If a payee does not give you a valid *Tax file number declaration* within **14 days** of starting a payer/payee relationship, you must complete a Tax file number declaration with all available details of the payee and send it to us.

When a TFN has not been provided

You must withhold 49% for residents and 47% for foreign residents from the taxable component, ignoring any cents if a super income stream payment is made to your payee and all of the following apply:

- they have not quoted their TFN
- they have not claimed an exemption from quoting their TFN
- they have not advised you that they have applied for a TFN or have made an enquiry with us.

However, if your payee is aged 60 years or above, only withhold from the untaxed element of the taxable component.

If a payee states at question 1 of the *Tax file number declaration* they have lodged a [Tax file number – application or enquiry for individuals](#) (NAT 1432) with us, they have **28 days** to provide you with their TFN.

If the payee has not given you their TFN within **28 days**, you must withhold 49% from any payment you make to a resident payee and 47% from a foreign resident payee from the relevant element(s) of the taxable component of the super income stream payment (ignoring any cents) unless we tell you not to.

Do not allow for any tax offsets or Medicare levy adjustments. Do not withhold any amount for:

- Higher Education Loan Program (HELP) debts
- Financial Supplement (FS) debts.

Working out the withholding amount

This table is divided into the following three parts. Certain characteristics of your payee and the payment will determine which part is used to work out the withholding amount – if:

- the taxable component is comprised wholly of an element taxed in the fund – use **part A**
- the taxable component contains an element untaxed in the fund – use **part B**
- the payment is a super death benefit income stream – use **part C**.

Each part of this table mentions tax offsets that are applicable to super income streams. All of these offsets are detailed in the *Income Tax Assessment Act 1997*.

Rounding of withholding amounts

Withholding amounts calculated using formulas should be rounded to the nearest dollar. Results ending in exactly 50 cents are rounded to the next higher dollar. Do this rounding directly, that is, do not make a preliminary rounding to the nearest cent. Where no TFN has been provided, cents are ignored when withholding amounts are calculated.

Components of a super income stream benefit

A super income stream benefit may have two components:

- the tax-free component
- the taxable component which includes an element
 - taxed in the fund, and/or
 - untaxed in the fund.

For super income streams that started to be paid before 1 July 2007 the tax-free component will generally comprise the return of the payee's own contributions made before 1 July 2007 for which they have not claimed a personal superannuation contribution deduction in their income tax return.

For super income streams that started to be paid on or after 1 July 2007, the tax-free component will comprise the crystallised segment and the contributions segment.

The taxable component of a super income stream benefit is the amount of the income stream benefit minus the tax-free component of the benefit.

The taxable component of a super income stream benefit will generally comprise an element taxed in the fund where the income stream is paid from a taxed source; for example, where the income stream is funded from contributions and earnings that have been subject to tax in a super fund.

The taxable component of a super income stream benefit will generally comprise an element untaxed in the fund where the income stream is funded from an untaxed source; for example, some state and Commonwealth public sector super schemes.

Find out more

For more information, refer to [Calculating the components of a super benefit](#) (NAT 71111).

Part A: Taxable component is comprised wholly of an element taxed in the fund

Step 1 Use the following table to work out which elements of the taxable component are subject to withholding.

Age	Withholding applies to the following amount(s)
Below 60	Taxable component
60 and over	No withholding

If your payee is 60 or over, no withholding is required.

If your payee is less than 60, go to step 2.

Step 2 Use the appropriate PAYG withholding tax table to calculate the withholding amount relevant to the amount worked out at step 1. The tax table you use depends on the period for which the income stream covers – that is, weekly, fortnightly or monthly.

Some payees may be eligible to claim the seniors and pensioners tax offset (SAPTO). If the payee gives you a [Withholding declaration](#) (NAT 3093) indicating that they want to claim a SAPTO entitlement through PAYG withholding, you should refer to [Tax table for seniors and pensioners](#) (NAT 4466) to work out the amount to withhold from the amount calculated in step 1.

Step 3 Use the appropriate formula to calculate the Medicare levy adjustment:

- If your payee's taxable component (on a weekly basis) is less than the Medicare levy threshold for singles, their Medicare levy adjustment is nil.
- If your payee's taxable component (on a weekly basis) is greater than the Medicare levy threshold for singles, but less than the Medicare levy shade out point (SOP) for singles, their Medicare levy adjustment = (taxable component – Medicare levy threshold for singles) x 0.10.
- If your payee's taxable component (on a weekly basis) is greater than or equal to the Medicare levy SOP for singles, but less than \$934, their Medicare levy adjustment = taxable component x 0.02.
- If your payee's taxable component (on a weekly basis) is greater than \$933, their Medicare levy adjustment is nil.

Step 4 Some super income streams may be eligible for a tax offset. Use the following table to calculate the tax offset amount for your payee.

Super income stream – taxable component

Age	Tax offset
Below preservation age	Nil
Preservation age to below 60	Taxed element × 15%

Disability super income stream – taxable component

Age	Tax offset
Below preservation age	Taxed element × 15%
Preservation age to below 60	Taxed element × 15%

Step 5 Calculate the notional amount to withhold by first subtracting the tax offset per payment (step 4) from the withholding amount (step 2).

Notional amount to withhold = withholding amount – tax offset

Then compare the notional amount to withhold with the Medicare levy adjustment calculated at step 3.

If the notional amount to withhold is:

- **less** than the amount calculated at step 3, withhold the amount calculated at step 3.
- **more** than the amount calculated at step 3, withhold the notional amount to be withheld.

Fortnightly, monthly and quarterly equivalents for step 3

If you make a fortnightly, monthly or quarterly payment, use the instructions contained in [Statement of formulas for calculating amounts to be withheld](#) (NAT 1004) to calculate the appropriate amounts for the thresholds and formulas in step 3.

Part B: Taxable component contains an element untaxed in the fund

Step 1 Use the following table to work out which elements of the taxable component are subject to withholding.

Age	Taxable component of super income stream contains		Withholding applies to the following amount(s)
	Untaxed element	Taxed element	
Below preservation age	Yes	Yes	Sum of untaxed and taxed elements
	No	Yes	Taxed element
	Yes	No	Untaxed element
Preservation age to below 60	Yes	Yes	Sum of untaxed and taxed elements
	No	Yes	Taxed element
	Yes	No	Untaxed element
60 and over	Yes	Yes	Untaxed element
	No	Yes	No withholding
	Yes	No	Untaxed element

Step 2 Use the appropriate PAYG withholding tax table to calculate the withholding amount relevant to the amount worked out in step 1. The tax table you use depends on the period for which the income stream covers – that is, weekly, fortnightly or monthly.

Some payees may be eligible to claim the SAPTO. If the payee gives you a *Withholding declaration* indicating they want to claim a SAPTO entitlement through PAYG withholding, you should use the [Tax table for seniors and pensioners](#) (NAT 4466) to work out the amount to withhold from the amount calculated in step 1.

Step 3 Some super income streams may be eligible for a tax offset. Use the following table to work out the tax offset amount for the payee.

Super income stream – taxable component

Age	Tax offset
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Below preservation age	Nil
Preservation age to below 60	Taxed element × 15%
60 and over	Untaxed element x 10%

Disability super income stream – taxable component

Age	Tax offset
Below preservation age	Taxed element × 15%
Preservation age to below 60	Taxed element × 15%
60 and over	Untaxed element x 10%

Step 4 Work out the amount to withhold by subtracting the tax offset per payment (step 3) from the withholding amount (step 2).

Amount to withhold = withholding amount – tax offset

If the tax offset amount is greater than the withholding amount, the amount to withhold is nil.

Part C: Payment is a super death benefit income stream

Step 1 Use the following table to work out which elements of the taxable component are subject to withholding.

Super death benefit paid to a dependant¹

Age of deceased	Age of recipient	Taxable component of super death benefit income stream contains		Withholding applies to the following amount(s)
		Untaxed element	Taxed element	
Below 60	Below 60	Yes	Yes	Sum of untaxed and taxed elements
		Yes	No	Untaxed element
		No	Yes	Taxed element
	60 and over	Yes	Yes	Untaxed element
		Yes	No	Untaxed element
		No	Yes	No withholding
60 and over		Yes	Yes	Untaxed element
		Yes	No	Untaxed element
		No	Yes	No withholding

¹ Dependants include all children of the deceased under the age of 18, any spouse of the deceased (including a former spouse and a current or former de facto spouse) and any person with whom the deceased had an interdependency relationship. An interdependency relationship includes a close personal relationship between two people who live together, where one or both provides for the financial and domestic support and personal care of the other. A dependant can also be a person who was financially dependent on the deceased. Before accepting that a person is financially dependent, phone us on **13 10 20**.

Step 2 Use the appropriate PAYG withholding tax table to calculate the withholding amount relevant to the amount worked out in step 1. The tax table you use depends on the period for which the income stream covers – that is, weekly, fortnightly or monthly.

Some payees may be eligible to claim the SAPTO. If the payee gives you a *Withholding declaration* indicating they want to claim a SAPTO entitlement through PAYG withholding, you should use the [Tax table for seniors and pensioners](#) (NAT 4466) to work out the amount

to withhold from the amount calculated in step 1.

Step 3 Some super income streams may be eligible for a tax offset. Use the following table to work out the tax offset amount for the payee.

Super death benefits paid to a dependant

Age of deceased	Age of recipient	Tax offset
Below 60	Below 60	Taxed element x 15%
	60 and over	Untaxed element x 10%
60 and over	Any age	Untaxed element x 10%

Step 4 Work out the amount to withhold by subtracting the tax offset per payment (step 3) from the withholding amount (step 2).

Amount to withhold = withholding amount – tax offset

If the tax offset amount is greater than the withholding amount, the amount to withhold is nil.

Super death benefits paid to a non-dependant

A person who is not a dependant of the deceased is not able to receive a super income stream. A super death benefit income stream that was being paid to a non-dependant prior to 1 July 2007 is taxed in the same manner as a super death benefit income stream paid to a dependant.

Examples

These examples use the PAYG withholding tax tables that apply from 1 July 2014.

Example

Case A: Taxable component comprised wholly of an element taxed in the fund

Example 1

Courtney is 61 and is receiving fortnightly super income stream benefits of \$1,000.

The tax-free component of Courtney's fortnightly super income stream benefits is \$200.

The taxable component of the super income stream benefit is \$800

Step 1: As Courtney is 61 and her taxable component is comprised wholly of a taxed element, no withholding is required.

Example 2

Maree is 56 and is receiving fortnightly super income stream benefits of \$1,200. Maree's preservation age is 55.

The tax-free component of Maree's fortnightly super income stream benefit is \$300. The taxable component of Maree's super income stream benefit is \$900.

Step 1: As Maree is 56, withholding applies to the taxable component.

Step 2: As Maree is paid fortnightly, use *Fortnightly tax table* (NAT 1006) to work out the withholding required from the \$900 taxed element. This amount is \$48, assuming that Maree is claiming the tax-free threshold.

Step 3: Calculate Maree's fortnightly Medicare levy adjustment. As Maree's fortnightly payment is more than \$790 (the Medicare levy threshold for singles, on a fortnightly basis) but less than \$928 (the Medicare levy SOP for singles, on a fortnightly basis), her Medicare levy adjustment is calculated as:

$$\text{Medicare levy adjustment} = (\$900 - \$790) \times 0.10$$

$$= \$11$$

$$= \$11 \text{ per fortnight (rounded to the nearest dollar)}$$

Therefore, Maree's Medicare levy adjustment is \$11 per fortnight.

Step 4: Maree is entitled to a tax offset.

$$\text{Tax offset} = \text{taxed element} \times 15\%$$

$$= \$900 \times 15\%$$

$$= \$135$$

Step 5: To calculate the notional withholding amount, reduce the withholding amount (\$48 as worked out in step 2) by the value of the tax offset (\$135 as worked out in step 4). That is:

$$\text{Notional withholding amount} = \$48 - \$135$$

$$= -\$87$$

Since the notional withholding amount is negative and less than the Medicare levy adjustment, the amount to be withheld from Maree's fortnightly super income stream benefit is \$11. This is the Medicare levy adjustment amount.

Case B: Taxable component comprises an element taxed in the fund and an element untaxed in the fund

Ralph is 63 and receives fortnightly super income stream benefits of \$3,000.

The tax-free component of Ralph's fortnightly super income stream benefit is \$900. The taxable component of his super income stream benefit is \$2,100.

Step 1: Ralph's \$2,100 taxable component is comprised of a \$600 taxed element and a \$1,500 untaxed element. As Ralph is 63, no withholding will apply to the taxed element. Withholding will apply to the \$1,500 untaxed element.

Step 2: Using the *Fortnightly tax table* (NAT 1006), work out the withholding required from the \$1,500 untaxed element. This is \$192, assuming that Ralph is claiming the tax-free threshold.

Step 3: Ralph is entitled to a tax offset.

$$\text{Tax offset} = \text{untaxed element} \times 10\%$$

$$= \$1,500 \times 10\%$$

$$= \$150$$

Step 4: Reduce the withholding amount (\$192 as worked out in step 2) by the value of the tax offset (\$150).

$$\text{Final withholding amount} = \text{withholding amount less tax offset}$$

$$= \$192 - \$150$$

$$= \$42$$

Case C: Super death benefit income stream where the taxable component comprises an

element taxed in the fund and an element untaxed in the fund

Harriet is 58 and her husband, 58, dies on 10 July 2014. As a result of her husband's death, Harriet receives a fortnightly super income stream benefit of \$2,000.

The tax-free component of Harriet's super death benefit income stream payments is \$400. The taxable component of Harriet's super death benefit income stream is \$1,600.

Step 1: Harriet's \$1,600 taxable component is comprised of a \$600 taxed element and a \$1,000 untaxed element. As Harriet is 58 and her husband was also under 60, withholding will apply to the full taxable component.

Step 2: Using the *Fortnightly tax table* (NAT 1006), work out the withholding required from the \$1,600 taxable component. This is \$226, assuming that Harriet is claiming the tax-free threshold.

Step 3: Harriet is entitled to a tax offset.

Tax offset = taxed element x 15%

= \$600 x 15%

= \$90

Step 4: Reduce the withholding amount (\$226 as worked out in step 2) by the value of the tax offset (\$90).

Final withholding amount = withholding amount less tax offset

= \$226 – \$90

= \$136

Preservation age

Preservation age is determined using your payee's date of birth. The preservation table below will help with this:

Date of birth	Preservation age
Before 1/7/1960	55
1/7/1960 – 30/6/1961	56
1/7/1961 – 30/6/1962	57
1/7/1962 – 30/6/1963	58
1/7/1963 – 30/6/1964	59
After 30/6/1964	60

PAYG withholding publications

You can access all PAYG withholding tax tables and other PAYG withholding publications quickly and easily from our website. For more information:

- visit [PAYG withholding](#)
- refer to [Tax tables](#)
- phone us on **13 10 20** for super enquiries.

If you need more information about the correct amount of tax to withhold, phone us on either:

- **13 28 61** if you are an individual
- **13 28 66** if you are an employer or payer.