

Example Calculations for the 2007–08 financial year

1 Non-grouped employer paying wages in NSW only

1 July 2007 to 30 June 2008.

	Annual – Full Period Assume your NSW wages are \$700 000 for 1 July 2007 to 30 June 2008.	Annual – Part Period Assume you had the same wages, but commenced to employ on 1 August 2007 and ceased on 30 November 2007.
Calculation of threshold for period of employment		
<u>No. of days employing x threshold</u> No. of days in period	$\frac{366 \times \$600\,000}{366} = \$600\,000$	$\frac{122 \times \$600\,000}{366} = \$200\,000$
Calculation of employer's tax payable for the period		
Employer's NSW wages for the period	\$700 000	\$700 000
<u>Less threshold for the period</u>	<u>\$600 000</u>	<u>\$200 000</u>
Tax on the balance	$\$100\,000 \times 6.0\% = \6000.00	$\$500\,000 \times 6.0\% = \$30\,000.00$



Office of State Revenue
NSW TREASURY
ISO 9001-Quality Certified

2 Non-grouped employer paying wages in NSW and Interstate

1 July 2007 to 30 June 2008.

	Annual – Full Period Assume your NSW wages are \$700 000 and total Australian wages are \$1 500 000 for 1 July 2007 to 30 June 2008.	Annual – Part Period Assume you had the same wages, but commenced to employ on 15 January 2008 and continued to employ after 30 June 2008.
Calculation of threshold for period of employment		
<u>No. of days employing x threshold</u> No. of days in period	$\frac{366 \times \$600\,000}{366} = \$600\,000$	$\frac{166 \times \$600\,000}{366} = \$272\,131$
Calculation of employer's threshold entitlement for the period		
<u>NSW wages x threshold</u> Employer's Total Australian wages	$\frac{\$700\,000 \times \$600\,000}{\$1\,500\,000} = \$280\,000$	$\frac{\$700\,000 \times \$272\,131}{\$1\,500\,000} = \$126\,994$
Calculation of employer's tax payable for the period		
Employer's NSW wages for the period <u>Less threshold for the period</u> Tax on the balance	\$700 000 <u>\$280 000</u> \$420 000 x 6.0% = \$25 200.00	\$700 000 <u>\$126 994</u> \$573 006 x 6.0% = \$34 380.36

3 Grouped employer paying as the Designated Group Employer

1 July 2007 to 30 June 2008.

	Annual – Full Period Assume your NSW wages are \$475 000, the total annual NSW wages of the other group members are \$950 000 and the total annual Australian wages of the group are \$2 069 000.	Annual – Part Period Assume you were grouped for the full year and another member ceased to be a member of the group on 31 August 2007. Your total NSW wages are \$300 000 of which \$132 000 were paid up to 31 August 2007. The group's total annual NSW wages are \$1 496 000 of which \$250 000 were paid up to 31 August 2007 and the group's total annual Australian wages are \$7 696 000 of which \$2 100 000 were paid up to 31 August 2007.	
		Part period 1 1 July 2007 to 31 August 2007	Part period 2 1 September 2007 to 30 June 2008
Calculation of threshold for period of employment			
<u>No of days employing x threshold</u> No of days in period	$\frac{366 \times \$600\,000}{366} = \$600\,000$	$\frac{62 \times \$600\,000}{366} = \$101\,639$	$\frac{304 \times \$600\,000}{366} = \$498\,361$
Calculation of employer's threshold entitlement for the period			
<u>Total NSW wages of group x threshold</u> Total Australian Group wages	$\frac{\$1\,425\,000 \times \$600\,000}{\$2\,069\,000} = \$413\,243$	$\frac{\$250\,000 \times \$101\,639}{\$2\,100\,000} = \$12\,100$	$\frac{\$1\,246\,000 \times \$498\,361}{\$5\,596\,000} = \$110\,965$
Calculation of employer's tax payable for the period			
Employer's NSW wages for the period <u>Less threshold for the period</u> Tax on the balance	\$475 000 <u>\$413 243</u> \$ 61 757 x 6.0% = \$3 705.42	\$132 000 <u>\$ 12 100</u> \$119 900 x 6.0% = \$7 194.00	\$168 000 <u>\$110 965</u> \$ 57 035 x 6.0% = \$3 422.10
Tax payable for the financial year	= \$3 705.42	Tax payable part period 1 = \$ 7 194.00 Tax payable part period 2 = <u>\$ 3 422.10</u> Tax payable for financial year = \$10 616.10	

Designated Group Employers

Effective from 1 July 2007 only one member of the group can claim the group's NSW threshold entitlement.

This member is known as the Designated Group Employer (DGE). Grouped employers are required to nominate a DGE for their group. The nominated member must have total Australian wages exceeding \$600,000.

If you are not the DGE, you do not receive any threshold entitlement. Your payroll tax is calculated at 6 per cent of your NSW taxable wages.

If none of the members qualify to be the DGE, you must nominate a single lodger to be responsible for lodging and paying payroll tax on behalf of all members of the group.

