



## Apprentice/Trainee Offset

### Example calculations for the 2011–12 financial year

From 1 July 2011 the payroll tax rate is 5.45 per cent.

From 1 July 2011 the threshold is \$678 000

Your monthly threshold is calculated using the number of days in the month, divided by the number of days in the year, multiplied by the threshold.

Days in months	Threshold
29	\$53 721
30	\$55 574
31	\$57 426

# Example calculations for the 2011–12 financial year

## 1. Non-grouped employer paying wages in NSW only

	<b>Monthly – full period</b> Assume your NSW wages for October 2011 are \$116 667 ( <b>including</b> apprentice/trainee wages of \$18 167)	<b>Monthly – full period</b> Assume your NSW wages for October 2011 are \$98 500 ( <b>excluding</b> apprentice/trainee wages of \$18 167)	
<b>Calculation of threshold for period of employment</b>	<b>Note: if employing for less than the full month, use the number of days you actually employed</b>	<b>Note: if employing for less than the full month, use the number of days you actually employed</b>	<b>Apprentice/Trainee Offset</b>
$\frac{\text{No. of days employing} \times \text{threshold}}{\text{No. of days in period}}$	$\frac{31 \times \$678\,000}{366} = \$57\,426$	$\frac{31 \times \$678\,000}{366} = \$57\,426$	
<b>Calculation of employer's tax payable for the period</b>	<b>Calculation 1 – <u>Including</u> apprentices/trainees</b>	<b>Calculation 2 – <u>Excluding</u> apprentices/trainees</b>	<b>Apprentice/Trainee Offset</b>
Employer's NSW wages for the period <u>Less threshold for the period</u> Tax on the balance	\$116 667 <u>\$ 57 426</u> \$59 241 x 5.45% = \$3 228.63	\$98 500 <u>\$57 426</u> \$41 074 x 5.45% = \$ 2 238.53	Calculation 1 = \$3 228.63 Calculation 2 = <u>\$2 238.53</u> Apprentice/trainee offset \$990.10

## 2. Non-grouped employer paying wages in NSW and interstate

	<b>Monthly – Full Period</b> Assume your NSW wages for April 2012 are \$116 667 and total Australian wages are \$252 000 (including apprentice/trainee wages of \$18 167)	<b>Monthly – Full Period</b> Assume your NSW wages for April 2012 are \$98 500 and total Australian wages are \$233 833 (excluding apprentice/trainee wages of \$18 167)	
<b>Calculation of threshold for period of employment</b>  $\frac{\text{No. of days employing} \times \text{threshold}}{\text{No. of days in period}}$	<b>Note: if employing for less than the full month, use the number of days you actually employed</b>  $\frac{30 \times \$678\,000}{366} = \$55\,574$	<b>Note: if employing for less than the full month, use the number of days you actually employed</b>  $\frac{30 \times \$678\,000}{366} = \$55\,574$	<b>Apprentice/Trainee Offset</b>
<b>Calculation of threshold for period of employment</b>  $\frac{\text{NSW wages} \times \text{threshold}}{\text{Employer's total Australian wages}}$	$\frac{\$116\,667 \times \$55\,574}{\$252\,000} = \$25\,729$	$\frac{\$98\,500 \times \$55\,574}{\$233\,833} = \$23\,410$	
<b>Calculation of employer's tax payable for the period</b>  Employer's NSW wages for the period Less <u>threshold for the period</u> Tax on the balance	<b>Calculation 1 – Including</b> apprentices/trainees  \$116 667 \$ 25 729 \$ 90 938 x 5.45% = \$4 956.12	<b>Calculation 2 – Excluding</b> apprentices/trainees  \$98 500 \$23 410 \$75 090 x 5.45% = \$ 4 092.40	<b>Apprentice/Trainee Offset</b>  Calculation 1 = \$4 956.12 Calculation 2 = <u>\$4 092.40</u> Apprentice/trainee offset \$863.72

# Example calculations for the 2010–11 financial year

## 1. Non-grouped employer paying wages in NSW and interstate

	<b>Annual – Full Period</b> Assume your NSW wages for July – December are \$400,000 and Australian wages are \$700 000 ( <b>including</b> apprentice/trainee wages of \$30 000)	<b>Annual – Full Period</b> Assume your NSW wages for July – December are \$370 000 and Australian wages are \$670 000 ( <b>excluding</b> apprentice/trainee wages of \$30 000)	<b>Annual – Full Period</b> Assume your NSW wages for January – June are \$550 000 and Australian wages are \$800 000 ( <b>including</b> apprentice/trainee wages of \$45 000)	<b>Annual – Full Period</b> Assume your NSW wages for January – June are \$505 000 and Australian wages are \$755 000 ( <b>excluding</b> apprentice/trainee wages of \$45 000)
	July–December	July–December	January–June	January–June
<b>Calculation of threshold for period of employment</b>				
<u>No of days employing x threshold</u> No of days in period	$184 \times \$658\,000 = \$331\,704$ 365	$184 \times \$658\,000 = \$331\,704$ 365	$181 \times \$658\,000 = \$326\,296$ 365	$181 \times \$658\,000 = \$326\,296$ 365
<b>Calculation of employer's threshold entitlement for the period</b>				
<u>Total NSW wages of group x threshold</u> Total Australian Group wages	$\$400\,000 \times \$331\,704 = \$189\,545$ \$700 000	$\$370\,000 \times \$331\,704 = \$183\,180$ \$670 000	$\$550\,000 \times \$326\,296 = \$224\,328$ \$800 000	$\$505\,000 \times \$326\,296 = \$218\,251$ \$755 000
<b>Calculation of employer's tax payable for the period</b>	<b>Calculation 1 – Including</b> apprentices/trainees	<b>Calculation 2 – Excluding</b> apprentices/trainees	<b>Calculation 1 – Including</b> apprentices/trainees	<b>Calculation 2 – Excluding</b> apprentices/trainees
Employer's NSW wages for the period <u>Less threshold for the period</u> Tax on the balance	\$400 000 <u>\$189 545</u> \$210 455 x 5.5% = \$11 575.02	\$370 000 <u>\$183 180</u> \$186 820 x 5.5% = \$10 275.10	\$550 000 <u>\$224 328</u> \$325 672 x 5.45% = \$17 749.12	\$505 000 <u>\$218 251</u> \$286 749 x 5.45% = \$15 627.82
<b>Apprentice/Trainee Offset</b>	<b>July–December</b> Calculation 1 = Calculation 2 = Apprentice/trainee offset	\$11 575.02 <u>\$10 275.10</u> \$ 1 299.92	<b>January–June</b> Calculation 1 = Calculation 2 = Apprentice/trainee offset	\$17 749.12 <u>\$15 627.82</u> \$ 2 121.30

## 2. Grouped employer paying as the Designated Group Employer

	<b>Annual – full period</b> Assume your NSW wages for Jul – Dec are \$500 000, other group members NSW wages are *\$375 000 and total annual Australian wages of the group are \$1 000 000 ( <b>including</b> apprentice/trainee wages of **\$28 000)	<b>Annual – full period</b> Assume your NSW wages for Jul – Dec are \$472 000, other group members NSW wages are *\$375 000 and total annual Australian wages of the group are \$972 000 ( <b>excluding</b> apprentice/trainee wages of **\$28 000)	<b>Annual – full period</b> Assume your NSW wages for Jan – Jun are \$420 000, other group members NSW wages are *\$230 000 and total annual Australian wages of the group are \$700 000 ( <b>including</b> apprentice/trainee wages of**\$18 000)	<b>Annual – full period</b> Assume your NSW wages for Jan – Jun are \$402 000, other group members NSW wages are *\$230 000 and total annual Australian wages of the group are \$682 000 ( <b>excluding</b> apprentice/trainee wages of**\$18 000)
	<b>July – December</b>	<b>July – December</b>	<b>January – June</b>	<b>January – June</b>
<b>Calculation of threshold for period of employment</b>				
<u>No of days employing x threshold</u> No of days in period	$\frac{184 \times \$658\,000}{365} = \$331\,704$	$\frac{184 \times \$658\,000}{365} = \$331\,704$	$\frac{181 \times \$658\,000}{365} = \$326\,296$	$\frac{181 \times \$658\,000}{365} = \$326\,296$
<b>Calculation of employer's threshold entitlement for the period</b>				
<u>Total NSW wages of group x threshold</u> Total Australian group wages	$\frac{\$875\,000 \times \$331\,704}{\$1\,000\,000} = \$290\,241$	$\frac{\$847\,000 \times \$331\,704}{\$972\,000} = \$289\,047$	$\frac{\$650\,000 \times \$326\,296}{\$700\,000} = \$302\,989$	$\frac{\$632\,000 \times \$326\,296}{\$682\,000} = \$302\,374$
<b>Calculation of employer's tax payable for the period</b>	<b>Calculation 1 – Including</b> apprentices/trainees	<b>Calculation 2 – Excluding</b> apprentices/trainees	<b>Calculation 1 – Including</b> apprentices/trainees	<b>Calculation 2 – Excluding</b> apprentices/trainees
Employer's NSW wages for the period	\$500 000	\$472 000	\$420 000	\$402 000
<u>Less threshold for the period</u>	<u>\$290 241</u>	<u>\$289 047</u>	<u>\$302 989</u>	<u>\$302 374</u>
Tax on the balance	\$209 759 x 5.5% = \$11 536.75	\$182 953x 5.5% = \$10 062.42	\$117 011x 5.45% = \$ 6 377.10	\$99 626 x 5.45% = \$5 429.62
<b>Apprentice/Trainee Offset</b>	<b>Jul-Dec</b>		<b>Jan-Jun</b>	
	Calculation 1 =	\$11 536.75	Calculation 1 =	\$6 377.10
	Calculation 2 =	<u>\$10 062.42</u>	Calculation 2 =	<u>\$5 429.62</u>
	Apprentice/trainee offset	\$ 1 474.33	Apprentice/trainee offset	\$ 947.48

Note\* = other group members NSW wages must include their apprentice/trainee wages as they considered liable wages.

Note\*\* = apprentice/trainee wages of the Designated Group Employer only.