



Example calculations for the 2008–09 financial year

Apprentice/Trainee offset

From 1 July 2008 to 31 December 2008 the payroll tax rate is 6 per cent.

From 1 January 2009 the payroll tax rate is 5.75 per cent.

From 1 July 2008 the threshold is \$623 000.

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
28	\$47 792
30	\$51 205
31	\$52 912



Office of State Revenue
NSW TREASURY
ISO 9001-Quality Certified

1 Non-grouped employer paying wages in NSW only

Tax rate 1 July 2008 to 31 December 2008 = 6%

	Monthly – Full Period Assume your NSW wages for October 2008 are \$116 667 (including apprentice/trainee wages of \$18 167).	Monthly – Full Period Assume your NSW wages for October 2008 are \$98 500 (excluding apprentice/trainee wages of \$18 167).	Monthly – Full Period Apprentice/trainee offset.
Calculation of threshold for period of employment	Note: if employing for less than the full month, use the number of days you actually employed	Note: if employing for less than the full month, use the number of days you actually employed	
<u>No. of days employing x threshold</u> No. of days in period	$\frac{31 \times \$623\,000}{365} = \$52\,912$	$\frac{31 \times \$623\,000}{365} = \$52\,912$	
Calculation of employer's tax payable for the period	Calculation 1 – including apprentices/trainees	Calculation 2 – excluding apprentices/trainees	Apprentices/trainees offset
Employer's NSW wages for the period <u>Less threshold for the period</u> Tax on the balance	\$116 667 <u>\$ 52 912</u> \$ 63 755 x 6.0% = \$3 825.30	\$98 500 <u>\$52 912</u> \$45 588 x 6.0% = \$2 735.28	Calculation 1 = \$3 825.30 Calculation 2 = <u>\$2 735.28</u> Apprentice/trainee offset \$1 090.02

2 Non-grouped employer paying wages in NSW and interstate

Tax rate 1 July 2008 to 31 December 2008 = 6%

	Monthly – Full Period Assume your NSW wages are \$116 667 and total Australian wages are \$252 000 for October 2008 (including apprentice/trainee wages of \$18 167).	Monthly – Full Period Assume your NSW wages are \$98 500 and total Australian wages are \$233 833 for October 2008 (excluding apprentice/trainee wages of \$18 167).	Monthly – Full Period Apprentice/trainee offset.
Calculation of threshold for period of employment	Note: if employing for less than the full month, use the number of days you actually employed	Note: if employing for less than the full month, use the number of days you actually employed	
<u>No. of days employing x threshold</u> No. of days in period	$\frac{31 \times \$623\,000}{365} = \$52\,912$	$\frac{31 \times \$623\,000}{365} = \$52\,912$	
Calculation of employer's threshold entitlement for the period			
<u>NSW wages x threshold</u> Employer's Total Australian wages	$\frac{\$116\,667 \times \$52\,912}{\$252\,000} = \$24\,496$	$\frac{\$98\,500 \times \$52\,912}{\$233\,833} = \$22\,289$	
Calculation of employer's tax payable for the period	Calculation 1 – including apprentices/trainees	Calculation 2 – excluding apprentices/trainees	Apprentices/trainees offset
Employer's NSW wages for the period <u>Less threshold for the period</u> Tax on the balance	$\$116\,667$ $\underline{\$24\,496}$ $\$92\,171 \times 6.0\% = \$5\,530.26$	$\$98\,500$ $\underline{\$22\,289}$ $\$76\,211 \times 6.0\% = \$4\,572.66$	Calculation 1 = \$5 530.26 Calculation 2 = <u>\$4 572.66</u> Apprentice/trainee offset \$ 957.60

The examples provided explain the basic principle of the Apprentice/trainee offset. If you are grouped for payroll tax purposes, you will need to refer to the monthly example calculations.