

How to complete the *PAYG payment summary* – *superannuation* *lump sum*

Instructions to help you complete *PAYG payment summary – superannuation lump sum* (NAT 70947-07.2007)

WHEN TO USE THIS FORM

Use this form if you have paid a super lump sum **before** 1 July 2013, to any of the following payees:

- a person aged under 60 years
- a person aged 60 years and over where the payment contained a taxable component with an untaxed element
- a non-dependant in the event of another person's death
- the trustee of a deceased estate.

You can only pay a super lump sum if you are one of the following:

- a super fund
- an approved deposit fund
- a life insurance company or registered organisation
- a retirement savings account (RSA) provider.

Do **not** use this form for super lump sum payments paid to a person with a terminal medical condition or for amounts you have withheld from any of the following payments:

- salary or wages paid to an employee, company director or office holder
- payment under a labour-hire arrangement or other specified payments
- payments under a voluntary agreement to withhold
- payments for supplies where an Australian business number (ABN) was not quoted
- employment termination payments
- payments from super income streams
- personal services income (PSI) attributed to an individual.

⚠ If the super lump sum payment was made on or after 1 July 2013, you must use *PAYG payment summary – superannuation lump sum* (NAT 70947-06.2013). You will also need to refer to *How to complete the PAYG payment summary – superannuation lump sum* (NAT 70946-06.2013) instructions available on our website at ato.gov.au

➤ To obtain copies of the form, phone our publication ordering service on **1300 720 092** at any time – you must quote your ABN to use this service.



HOW TO COMPLETE THE FORM

You must:

- write each letter in a separate box
- use a black pen
- use BLOCK LETTERS.

You do not have to complete every field. For example, where an amount has not been paid or withheld, leave those boxes blank.

Show all amounts in whole dollars, do not show cents. For example, show an amount of \$122.76 as \$122.

When you send the payment summary to us as part of your pay as you go (PAYG) withholding payment summary annual report, send the 'Tax Office original'. We cannot accept photocopies or duplicates.

Payment summary for year ending 30 June

The year must be shown as a four-digit figure. For example, the year ending 30 June 2009 must be shown as 2009 and not 09.

Amended payment summary

You cannot change the information on a payment summary after you have either:

- given it to the payee
- provided your PAYG withholding payment summary annual report to us.

If you find a mistake with any of the amounts after giving the payment summary to the payee or us, you must complete a new payment summary, marking the **amended payment summary** box as shown:

If this is an **AMENDED payment summary** please place X in this box

When you complete an amended payment summary, you must do all of the following:

- complete all payee, payment and payer information on each amended payment summary
- send it to us
- give a copy to the payee.

You must show the payee or payer information as it was on the original payment summary. You must send the 'Tax Office original' to the address on the *PAYG payment summary statement* (NAT 3447).

If the payee or payer information was incorrect, do not prepare a new payment summary. Advise the payee as soon as possible, and document the correct details and keep them in your files. There is no need to advise us of the corrected details.

Where payment amounts and/or tax withheld amounts have changed, you may also need to complete an amended *PAYG payment summary statement* (NAT 3447).

If the payee loses their payment summary, do not issue a new one. Give them a photocopy of your own copy showing all the details from the lost payment summary.

PAYEE DETAILS

! If the payment is a superannuation lump sum death benefit, the payee is one of the following:

- trustee for the deceased employee's estate
- non-dependant of the deceased person
- dependant of the deceased employee.

If you are the trustee for the deceased employee's estate, include your details at the payee's surname or family name.

Payee's name

Separate the surname or family name from the given name/s and print in the boxes.

For example, show Jane Mary Covers as:

Payee's surname or family name

C O V E R S

Payee's given name(s)

J A N E M A R Y

Payee's residential address

You must show the street number and name, suburb/town/locality, state or territory, and postcode, separately in the boxes provided.

For example, show the address 2 Bell St, Ablem WA 6999 as:

Payee's residential address

2 B E L L S T R E E T

Suburb/town/locality

A B L E M

State/territory

W A

Postcode

6 9 9 9

Payee's date of birth

Provide this information if you have it. Leave blank if the payment is a super lump sum death benefit.

Use the format DDMMYYYY, for example:

Payee's date of birth (if known) Day 0 1 / Month 0 5 / Year 1 9 5 2

Date of payment

Show the date you made the payment to the payee.

Use the format DDMMYYYY.

For example, show a payment date of 25 September 2012 as:

Date of payment Day 2 5 / Month 0 9 / Year 2 0 1 2

Payee's tax file number

You must show the tax file number (TFN) the payee quoted.

For example, show a nine-character TFN as:

Payee's tax file number 9 8 7 6 5 4 3 2 1

To help us process your form, you must substitute the TFN code with one of the codes listed below if:

- a new payee has not made a TFN declaration, but 28 days have not passed – use code 111 111 111.
- the payee is under 18 years of age and earnings do not exceed \$350 per week, \$700 per fortnight or \$1,517 per month – use 333 333 333.
- the payee is an Australian Government pensioner – use 444 444 444.
- the payee chooses not to quote a TFN and has not claimed an exemption from quoting a TFN or does not fit into any of these categories – use 000 000 000.

Total tax withheld

Show the total tax withheld in whole dollars.

For example, show \$12,672.70 as:

TOTAL TAX WITHHELD \$, 1 2 , 6 7 2 .

➤ For more information about withholding from super lump sums, refer to *Tax table for superannuation lump sums* (NAT 70981).

Taxable component

The taxable component is the total of the payment, less the tax-free component. This amount is assessable income.

The taxable component of a super lump consists of either:

- a taxed element
- an untaxed element
- both taxed and untaxed elements.

⚠ Do not show taxed element amounts paid to people on the day, or the day after, they turn 60 years of age unless the payment is a death benefit paid to a non-dependant. A death benefit is a payment made to a person because of the death of another person. You must show the untaxed element in all cases.

Show the taxed and untaxed elements of the taxable component in whole dollars.

Example of payment paid before a person turns 60

You pay a super lump sum to Nav, who is aged 58. The lump sum is made up of a \$20,000 taxed element and a \$10,000 untaxed element. You will show this as:

Taxable component

Taxed element \$, 2 0 , 0 0 0 .

Untaxed element \$, 1 0 , 0 0 0 .

Example of payment paid after a person turns 60

You pay a \$30,000 super lump sum to Kevin, who is aged 61 years. The lump sum is made up of a \$20,000 taxed element and a \$10,000 untaxed element. You will show this as:

Taxable component

Taxed element \$, , .

Untaxed element \$, 1 0 , 0 0 0 .

➤ For more information, refer to *Lump sum benefits from a taxed super fund* and *Lump sum benefits from an untaxed super fund* available on our website at ato.gov.au

Tax-free component

⚠ You do not have to complete this field.

The tax-free component is the amount of the payment that is non-assessable and non-exempt income – that is, tax-free income. The tax-free component of a benefit paid from a taxed fund is made up of both the:

- contributions segment
- crystallised segment.

If you report the tax-free component, show it in whole dollars.

For example, show a tax-free component of \$6,594.55 as:

Tax free component \$, 6 , 5 9 4 .

➤ For help calculating the tax-free component, refer to *Superannuation benefit component calculator* available on our website at ato.gov.au

Is this payment a death benefit?

If you are paying the super lump sum because of another person's death, place X at 'Yes'. For example:

Is this payment a death benefit? No Yes

Type of death benefits

Super lump sum death benefits can be paid to any of the following:

- a dependant of the deceased
- a non-dependant of the deceased
- the trustee of the deceased estate.

If you pay a super lump sum death benefit to a dependant of the deceased, it is tax free and you do not need to complete a payment summary.

A death benefits dependant is any of the following:

- the deceased person's spouse or de facto spouse
- the deceased person's former spouse or former de facto spouse
- the deceased person's child aged less than 18
- any other person who was a dependant of the deceased just before they died
- any other person with whom the deceased had an interdependency relationship just before they died.

! If you pay a lump sum super death benefit to a non-dependant of Australian Defence Force or police personnel who has died in the line of duty, the benefit is treated as if paid to a dependant.

The spouse of the deceased includes all of the following:

- another person (whether of the same sex or opposite sex) with whom the deceased was in a relationship that was registered under a law of a prescribed state or territory law
- another person (whether of the same sex or opposite sex) who lived with the deceased on a genuine domestic basis in a relationship as a couple.

The child of the deceased includes all of the following:

- an adopted child, stepchild or ex-nuptial child of the deceased
- a child of the deceased's spouse
- someone who is a child of the deceased within the meaning of the *Family Law Act 1975* (for example, a child who is considered to be a child of a person under a state or territory court order giving effect to a surrogacy agreement).

A non-dependant for super lump sum death benefit purposes is any person who does not fall into one of the categories of dependant listed here.

If you pay a super lump sum death benefit to a non-dependant or to a trustee of a deceased estate you must complete a payment summary.

For example, if the payment was made to a non-dependant:

Type of death benefit

Trustee of deceased estate or Non-dependant

! You do not have to withhold an amount from a super lump sum death benefit paid to the trustee of a deceased estate. However, you must issue a payment summary to the trustee, and include the payment summary as part of your PAYG withholding payment summary annual report.

➤ For more information, refer to *Paying a lump sum death benefit* (NAT 71432) available on our website at ato.gov.au

PAYER DETAILS

Payer's Australian business number (ABN) or withholding payer number (WPN)

As a payer, you must have either an ABN or WPN. Show your ABN or WPN as it appears on your activity statement.

For example, show an ABN of 12 345 678 912 as:

Payer's ABN or withholding payer number (WPN)

1	2	3	4	5	6	7	8	9	1	2
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Branch number

If a business has one ABN but multiple branches, each branch will have an individual branch number. Show your branch number in the boxes provided. If you do not have a branch number, leave the boxes blank.

Payer's name

Show your name as it appears on your activity statement.

For example, show ABC Pty Ltd as:

Payer's name

A	B	C		P	T	y		L	T	D							
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Declaration

Only the payer or a person authorised to sign on the payer's behalf can sign. You can print or type the name of the person authorised to sign the form. You must keep details of the authorised person with your records.

AFTER YOU COMPLETE THIS FORM

PAYG payment summary – superannuation lump sum is self-duplicating and includes copies for:

- us
- the payee
- the payer.

You must do all of the following:

- give the payee their copy of this payment summary within 14 days of making the super lump sum payment
- send the 'Tax Office original' to us as part of your PAYG withholding payment summary annual report by 14 August, following the end of the financial year
- retain the 'Payer' copy and keep this for five years.

! Payees no longer have to lodge a copy of their payment summary with their tax return.

Lodging your payment summary information electronically

We have a range of online services to suit your business. If you have payroll software that meets our specifications, you can submit your payment summary annual report electronically using the Business Portal.

➤ For more information about the Business Portal, visit ato.gov.au/onlineservices

Other options are available for lodging electronically, including electronic commerce interface (ECI) or using electronic media, such as USB/flash drives, disks, CD-ROMs or DVDs.

➤ For more information about lodging using electronic media, refer to *How to lodge your pay as you go (PAYG) withholding annual reports electronically* (NAT 3367) available on our website at ato.gov.au

If you provide your PAYG withholding payment summary annual report to us electronically, you do not need to:

- send copies of payment summaries to us
- complete a PAYG payment summary statement.

ORDERING PAYG WITHHOLDING PAYMENT SUMMARIES

To order more copies of *PAYG payment summary – superannuation lump sum* (NAT 70947) and other PAYG payment summaries:

- visit our website at ato.gov.au/onlineordering
- phone our Publications Distribution Service on **1300 720 092** at any time – you must quote your ABN to use this service.

MORE INFORMATION

For more information, refer to *Tax table for superannuation lump sums* (NAT 70981) and *Paying a lump sum death benefit* (NAT 71432) available on our website at ato.gov.au

For more information about the changes to super, refer to *Introducing your super* available on our website at ato.gov.au

If you need more information about PAYG withholding, you can:

- visit ato.gov.au/paygw
- phone **13 28 66** between 8.00am and 6.00pm, Monday to Friday.

If you do not speak English well and need help from the ATO, phone the Translating and Interpreting Service on **13 14 50**.

If you are deaf, or have a hearing or speech impairment, phone the ATO through the National Relay Service (NRS) on the numbers listed below:

- TTY users, phone **13 36 77** and ask for the ATO number you need
- Speak and Listen (speech-to-speech relay) users, phone **1300 555 727** and ask for the ATO number you need
- internet relay users, connect to the NRS on relayservice.com.au and ask for the ATO number you need.

OUR COMMITMENT TO YOU

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information in this publication and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we must still apply the law correctly. If that means you owe us money, we must ask you to pay it but we will not charge you a penalty. Also, if you acted reasonably and in good faith we will not charge you interest.

If you make an honest mistake in trying to follow our information in this publication and you owe us money as a result, we will not charge you a penalty. However, we will ask you to pay the money, and we may also charge you interest. If correcting the mistake means we owe you money, we will pay it to you. We will also pay you any interest you are entitled to.

If you feel that this publication does not fully cover your circumstances, or you are unsure how it applies to you, you can seek further assistance from us.

We regularly revise our publications to take account of any changes to the law, so make sure that you have the latest information. If you are unsure, you can check for more recent information on our website at ato.gov.au or contact us.

This publication was current at **May 2013**.