

PAY AS YOU GO

PAYG - Pay as you go.

PAYGI - Pay as you go installments.

PAYGW - Pay as you go withholding.

What Is PAYG?

PAYGI is simply paying tax quarterly instead of once a year when we lodge your return. The ATO decide when the time is for you to start paying quarterly. You can voluntarily register yourself—although you cannot choose to deregister unless you no longer run a business.

When Are Payments Due?

Quarterly dates for payment:

Q1- 28th October

Q2- 28th February

Q3- 28th April

Q4- 28th July

Do I Have to Pay?

Even if you do not pay these amounts, they will continue to accrue in your ATO account for payment. They may contact you for payment.

How Much Is PAYGI?

The ATO will provide you with an amount they calculate—this is based off your most recently lodged tax return. They will raise this amount in a document.

How Do I Vary It?

We can vary it or you can do this yourself through MyGov.

Do I Have to Pay the Amount They Tell me?

There is the option to vary that amount up or down. If it doesn't seem high enough and you don't want a big tax bill, then we increase it. If you made more money the last financial year than now, we can lower it. However you cannot lower it just because you don't have the money. They will compare this to your tax return and will issue a warning.

What if I'm on a Payment Plan?

If you have a payment plan in place—this new PAYGI amount does not automatically add to your repayments. In fact, you must either pay the PAYGI in full by the due date or cancel your payment plan and create a new one. If you don't pay and your payment plan defaults- the ATO makes it more difficult to go on another plan.

End of Year TAX Return

When we complete your Tax return for the year—if it turns out you have paid more throughout the year than we calculate it to be—you will get a refund. If you didn't pay enough—then you will get another bill. Your PAYGI amounts raised (regardless of whether you pay them) will be taken into account to determine a refund or payable.

Note

At Tax time if your lodgment results in a refund—but you still have an ATO debt from prior years or from your unpaid quarterly PAYGI—you do not receive that as a cash refund. It just offsets your debt.

PAYGI shouldn't be overwhelming or stressful. It's to help you get into the mindset of paying taxes throughout the year and the only way to do this is to manage your money better. Every time you get paid from a customer or income hits your account—this is pre-tax dollars. Put some aside for tax and then you can do what you'd like with the rest.

The Empire Team



03 9088 7503

WWW.EBS-GROUP.COM.AU

@EMPIRE_INDUSTRY