

Part A – Payee Details

- 1. Payee's Australian Business Number (ABN)**

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2. Full name of payee (must be an individual)

Title: Mr

--	--

 Mrs

--	--

 Miss

--	--

 Ms

--	--

Surname or family name

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

First given name

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Other given names

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Payee's date of birth

		/			/				
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3. Trading name (if applicable)

4. Phone number

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5. Postal address

Suburb/Town

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

State/Territory Postcode

--	--	--	--	--	--	--

6. Are you registered for GST (please cross box)

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

Part B – Payer Details

- [illegible]

Part C – Rate of Withholding

Refer to important notes on the back of this form before completing this part. Please indicate the rate of withholding below.

- | | |
|---|--|
| <p>1 Does the payee have a Commissioner's Instalment Rate (CIR)?</p> <p>Yes <input type="checkbox"/> The CIR is <input type="text"/><input type="text"/>.<input type="text"/><input type="text"/> % – Go to 2</p> <p>No <input type="checkbox"/> Flat rate of withholding is 20%</p> | <p>2 Is the CIR greater than 20%?</p> <p>Yes <input type="checkbox"/> The rate of withholding will be the CIR</p> <p>No <input type="checkbox"/> We agree the rate of withholding will be <input type="text"/> 20% OR <input type="text"/> CIR</p> <p style="text-align: right; font-size: small;">Please select one box only</p> |
|---|--|

Part D – The Agreement

We, the undersigned, agree that payments, as described below, made by the payer to the payee are subject to withholding under section 12-55 of Schedule 1 Part 2-5 of the *Taxation Administration Act 1953*. The rate of withholding is notified at Part C above.

This agreement relates to all payments made for (indicate the nature of payments)

on or after (indicate date) / /

DECLARATION: I declare that the information I have given on this form is complete and correct.

Payee's Signature _____

Print name

Date

Payer's Signature _____

Print name

Position held

Date

PLEASE NOTE: There are penalties for deliberately making a false or misleading statement.

In Confidence when completed

See reverse for additional information

VOLUNTARY AGREEMENTS

GENERAL NOTES ABOUT THIS FORM

What is a Voluntary Agreement?

It is a written agreement between a business (the payer) and a worker (the payee) to bring work payments into the Pay As You Go (PAYG) withholding system. The payer will withhold tax from payments it makes to the payee and send the amounts withheld to the Tax Office.

Who can enter into a Voluntary Agreement?

The payer and payee can enter into a Voluntary Agreement to withhold from payments made to the payee and the following conditions apply:

- The payment must be, in whole or in part, for the performance of work or services;
- The payee must be an individual with an Australian Business Number (ABN);
- The payment must not be subject to any other PAYG withholding; and
- The agreement must be in writing.

What is this form for?

This form may be used by businesses and workers who agree to enter into a Voluntary Agreement. It is not compulsory that this form be used, but the written agreement must include all the information required in this form.

What should you do with this agreement?

- The payer must keep the original of this agreement and give the duplicate to the payee.
- Both the payee and payer must keep a copy of this agreement for five years after the last payment is made under this agreement.
- Do NOT send this agreement to the Tax Office unless you are asked to do so.
- This agreement does not apply to payments made before 1 July 2000 but it may be signed before that date.

How does an agreement end?

Either party can end a voluntary agreement at any time by notifying the other in writing.

NOTES ABOUT COMPLETING THIS FORM

How to fill in this form

If **handwriting**, please print neatly in BLOCK LETTERS, one letter within each box. **Please use a black pen.**

2 6 S M I T H S T

If **typing**, you can type over the boxes. Please note that this form has not been designed for typewriter use.

26 SMITH ST

Where applicable place a cross like this in the appropriate boxes. X

Question 1

This agreement is not valid unless the payee has an ABN

Question 2

For this agreement to be valid the payee must be an individual.

Part C

The payee must indicate at Part C on the form which rate of withholding is to apply to payments made under this agreement.

How much must the payer withhold from the gross amount of any payment?

The rate of withholding is notified at Part C of the form and it will be either the payee's instalment rate or a flat rate of 20%. The payer then withholds at that rate from the gross amount payable after deducting any goods and services tax (GST) charged.

The payee's instalment rate is a percentage figure normally used to calculate PAYG instalments. The ATO will generally notify payees of their instalment rates early in the financial year beginning 1 July 2000. For the purpose of voluntary agreements, the instalment rate used must be the rate notified by the ATO – this is called the Commissioner's Instalment Rate (CIR).

The payee must disclose to the payer their CIR or state that they do not have one.

If the payee's CIR is greater than 20%, the payer must withhold at the payee's CIR.

If the payee's CIR is less than or equal to 20%, the rate the payer must withhold will be 20%, unless the payee and payer agree that the payee's CIR will apply.

If the payee's CIR is not known at the time of the agreement, then the flat rate of 20% applies.

When the payee is first advised of their CIR, or advised of a new CIR, they may need to enter into a new agreement after considering the rules. They must terminate the current agreement before entering into a new one.

Part D

For this agreement to be valid both parties to the agreement must identify the nature of the work to which the payments relate and must sign and date the agreement.

OTHER INFORMATION

For Payers:

Payers need to:

- Complete and lodge their activity statements with the Tax Office, including any amounts withheld under voluntary agreements
- Give each payee a voluntary agreement payment summary by 14 July after the financial year (or earlier if requested) and
- Complete an annual report of all payments made under voluntary agreements and send this to the Tax Office by 14 August each year.

For more information see the booklet **Guide to Pay As You Go for business**.

For Payees:

GST Implications

Payees who have indicated that they are registered for GST at question 6 of the form will need to consider the response the payer has provided at question 6 and:

- (a) Where the payer has answered YES to this question, the payee does not charge GST on supplies to which this agreement relates.
- (b) Where the payer has answered NO to this question, the payee MUST charge GST on taxable supplies made to which this agreement relates.

Where the payee is registered for GST, they can claim input tax credits on goods or services bought and used in performing the work under a voluntary agreement.

Lodging Activity Statements

A payee needs to lodge their activity statements to report on their business tax obligations and entitlements, including PAYG instalments and GST. If you have nothing to report for a particular reporting period, you must still sign and date your activity statement and return it to the Tax Office by the due date.

When completing your activity statement, remember that your instalment income does not include income you receive under a voluntary agreement.

Lodging Tax Returns

A Voluntary Agreement does not change a payee's obligation to lodge an income tax return. All the income you earn, including income from Voluntary Agreement's, must be included in your return. You should attach a copy of the payment summary given to you by the payer in your tax return.

Payers are required to lodge annual reports of all payments made under Voluntary Agreements with the Tax Office each financial year. The Tax Office will use this information to check details contained in tax returns.

NEED MORE INFORMATION

There is more detailed information about Voluntary Agreements contained in the Fact Sheet *PAYG Voluntary Agreements*. For this and more information including forms and payment summaries contact the Tax Office:

- **by phone** - on our enquiry number **13 24 78** during office hours
- **in person** - by visiting the enquiry counter at the Tax Office. Tax Office addresses are listed in *TaxPack* as well as in the *White Pages* telephone directory
- **via a Fax from Tax** - information is available 24 hours a day 7 days a week by calling **13 28 60** and following the prompts, or
- on our internet site **ATOassist** at **www.taxreform.ato.gov.au**

Part A – Payee Details

1. **Payee's Australian Business Number (ABN)**
 /

2. **Full name of payee (must be an individual)**
 Title: Mr Mrs Miss Ms
 Surname or family name

 First given name

 Other given names

 Payee's date of birth
 / /

3. **Trading name (if applicable)**

4. **Phone number**

5. **Postal address**

 Suburb/Town

 State/Territory Postcode

6. **Are you registered for GST (please cross box)** Yes ☐ No ☐

Part B – Payer Details

1. **Payer's Australian Business Number (ABN)**
 /
2. **Full legal name of the business or organisation**
3. **Trading name (if applicable)**
4. **Phone number**
5. **Postal address**

Suburb/Town

State/Territory Postcode
6. **Would you be entitled to a full GST input tax credit for supplies from the payee in the absence of this agreement?**
(please cross one of the boxes)
- Yes ☐ No ☐

Part C – Rate of Withholding

Refer to important notes on the back of this form before completing this part. Please indicate the rate of withholding below.

- | | |
|--|--|
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