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THE TRUSTEE FOR MACKOVSKI SUPER FUND
PO BOX 1777
WOLLONGONG DC NSW 2500

Our reference: 7120970112576

Phone: 13 28 66

Website: ato.gov.au/paygi

ABN: 22 508 847 469

11 March 2021

You have entered the PAYG instalments system

To whom it may concern,

Pay as you go (PAYG) instalments is a system for making regular payments towards your expected annual income tax.

Helping you avoid a tax bill at the end of the year

The PAYG instalments system has helped many people avoid a large tax bill at the end of the year. We calculate the instalments based on the income you earn that doesn't have tax taken out from it, such as business and/or investment income.

To make it easy for you, we estimate the tax you need to pay on this income so that you can make these payments throughout the year. We then credit the total amount you pay during the year towards the tax you owe when you lodge your next income tax return.

Why you have entered the PAYG instalments system

We work out if you need to pay PAYG instalments based on the information you reported in your latest tax return.

The table below shows you have met one or both of the entry thresholds entering you into the PAYG instalments system.

Criteria	Entry threshold	Your information
Business and/or investment income from your 2019-20 tax return or	\$2 million or more	\$12,246
Estimated tax for this income year (notional tax)	More than \$500	\$603

How much you will need to pay

We will send you an activity statement or instalment notice each quarter before your PAYG instalments are due.

When you receive your first statement, you can choose from one of two options to calculate how much to pay.

The easiest and most popular option is to pay the quarterly instalment amount that we have worked out for you of **\$151**. You can find more information about your options in the 'Additional information' section included with this letter.

You can choose to pay your instalments annually

If you want to pay one instalment each year, you can find out how to do this on our website at **ato.gov.au/paygiannual**

Manage your instalments online

The easiest way to manage your PAYG instalments is by using our online services. You can view, lodge, pay, vary and manage all your PAYG instalment obligations in one place. All you need is a secure login to use our online services, such as the Business Portal. You can also use your standard business reporting (SBR) enabled accounting software to prepare and lodge. You can find more information on our website at **ato.gov.au/onlineservices**

Need help?

Visit us at **ato.gov.au/contactus** or phone us on **13 28 66** between 8.00am and 6.00pm, Monday to Friday. It will help if you quote 'Our reference', which you will find at the top of this letter.

If you need help in languages other than English, you can phone our Translating and Interpreting Service on **13 14 50**.

If you are deaf, or have a hearing or speech impairment, you can contact us through the National Relay Service (NRS). You can find more information at **relayservice.gov.au**

Disaster support

Help is available if you have been affected by COVID-19, bushfires or other disasters. Visit **ato.gov.au/disasters**

Yours faithfully,
Hoa Wood
Deputy Commissioner of Taxation

Calculating the amount you need to pay

As a PAYG instalments payer, you can choose from one of two options to work out how much to pay, which will apply for the income year. We will include these options on your first activity statement or instalment notice. **You need to make your choice before the due date of your first quarterly activity statement or instalment notice.**

Option 1 - Instalment amount

We calculate the instalment amount using the business and/or investment income from your latest tax return. The benefit of this method is that you will know the amount you need to pay each quarter, without having to work it out yourself. This can help you plan and budget for the payment.

Option 2 - Instalment rate

This option allows you to calculate your PAYG instalment amount based on your actual income for that period, multiplied by a rate we provide you. Your instalment rate is **4.93%**. The benefit of this method is that your instalments are based on your income as you earn it, instead of an estimate based on your latest tax return. You may prefer this method if your income changes throughout the year.

You can find more information about these options on our website at ato.gov.au/paygoptions

What if your situation changes

If your circumstances change, you can vary your PAYG instalment. **You must do this before the due date.** You may also be eligible to exit the PAYG instalments system.

You can find more information about varying instalments or exiting the system on our website at ato.gov.au/paygi

Due dates for quarterly instalments - for most taxpayers

The table below shows the due dates for quarterly instalments that apply to most taxpayers. We will include your instalment due date on your activity statement or instalment notice.

Quarter	Period	Due date
1	July - September	28 October
2	October - December	28 February
3	January - March	28 April
4	April - June	28 July

