



Employer obligations and apprentices

IS AN APPRENTICE AN EMPLOYEE?

Yes. Whether a worker is an employee or contractor depends on the terms and conditions of their engagement. Employees are those workers whom you employ in your business. Contractors or contract workers are self employed and provide you with services.

! Quoting an Australian business number (ABN) does not make an employee a contractor.

Apprentices are required to work under the direction, control and supervision of their employer to learn their trade. By their very nature, apprentices are considered to be employees.

YOUR EMPLOYER OBLIGATIONS

Anyone who engages an apprentice must be registered with the Tax Office for pay as you go (PAYG) withholding and must:

- complete the payer section of your apprentice's *Tax file number declaration* form and send the original to the Tax Office within 14 days
- withhold amounts from the apprentice's pay in accordance with the amounts set out in the *Pay as you go (PAYG) withholding tax tables*
- report and send amounts withheld to the Tax Office
- give each apprentice a *PAYG payment summary* form and report annual amounts withheld to the Tax Office
- keep the necessary PAYG withholding records, such as wage books, and
- make superannuation contributions.

If you provide benefits to an apprentice, such as reimbursing them for private expenses they incur, or providing a car or van for private use (for example to take home at night), you may have fringe benefits tax (FBT) obligations.

Employers who do not comply with their obligations in respect of their apprentices may be subject to penalties or prosecution in appropriate cases.

 MORE INFORMATION

- *Tax file number declaration* (NAT 3092)
- *PAYG withholding guide no. 2 – how to determine if workers are employees or independent contractors* (NAT 2780)
- *PAYG withholding tax tables – weekly rate* (NAT 1005)
- *PAYG withholding tax tables – fortnightly rate* (NAT 1006)
- *PAYG withholding tax tables – monthly rate* (NAT 1007)
- *PAYG withholding tax tables – quarterly rate* (NAT 3479)
- *PAYG payment summary – individual non business* (NAT 0046)
- *PAYG payment summary – individual non business guidelines* (NAT 3388)
- *PAYG payment summary statement* (NAT 3448)
- *Superannuation guarantee – how to understand and meet your superannuation guarantee obligations (an employer's guide)* (NAT 1987)
- *Tax basics for small business* (NAT 1908)
- *FBT – a guide for employers* (NAT 1054)

For a copy of any of our publications or for other information you can:

- visit **www.ato.gov.au** or
- phone **1300 720 092**.

If you do not speak English well and want to talk to a tax officer, phone the Translating and Interpreting Service on **13 14 50** for help with your call.

If you have a hearing or speech impairment and have access to appropriate TTY or modem equipment, phone **13 36 77**. If you do not have access to TTY or modem equipment, phone the Speech to Speech Relay Service on **1300 555 727**.

OUR COMMITMENT TO YOU

The information in this publication is current at June 2005.

In the taxpayers' charter we commit to giving you information and advice you can rely on.

If you try to follow the information contained in our written general advice and publications, and in doing so you make an honest mistake, you won't be subject to a penalty. However, as well as the underpaid tax, we may ask you to pay an interest charge.

We make every effort to ensure that this information and advice is accurate. If you follow our advice, which subsequently turns out to be incorrect, or our advice is misleading and you make a mistake as a result, you won't be subject to a penalty or interest charge although you'll be required to pay any underpaid tax.

If you feel this publication does not fully cover your circumstances, please seek help from the Tax Office or a professional adviser. Since we regularly revise our publications to take account of any changes to the law, you should make sure this edition is the latest. The easiest way to do this is by checking for a more recent version on our website at **www.ato.gov.au**

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