

# Increased Payroll Tax Exemptions



## Exempt employees for payroll tax

Wages you pay to apprentices and trainees may be exempt from payroll tax.

To be regarded as an apprentice or trainee for payroll tax purposes, the employee must sign a [training contract](#) with their employer, approved under the [Further Education and Training Act 2014](#) (or, before 30 June 2014, the *Vocational Education, Training and Employment Act 2000*).

## Apprentices

An apprentice is a person who is trained in a skilled trade and will, on completing training, become a qualified tradesperson (e.g. electrician, plumber, cabinet-maker, auto mechanic).

**Exempt wages** - Wages paid to apprentices are exempt if:

- the apprentice is registered under the Further Education and Training Act (or, before 30 June 2014, the Vocational Education, Training and Employment Act) and
- The wages are paid in the course of the apprenticeship.

## Trainees

A trainee is a person trained in a vocational area (e.g. office administration, information technology, hospitality) and will, on completing their traineeship, receive a Certificate II or above in their chosen vocational area.

**Exempt wages**- Wages paid to trainees are exempt if all of the following apply:

- the trainee is registered under the Further Education and Training Act (or, before 30 June 2014, the Vocational Education, Training and Employment Act)
- the wages are paid in the employee's capacity as a trainee
- before the traineeship started, the trainee had not been employed by the employer for
  - 3 months or more (full-time)
  - 12 months or more (part-time or casual)

The Queensland Government will double the payroll tax rebate available to businesses that employ apprentices and trainees. Queensland's payroll tax rebate will increase from 25% to 50%, for the 2016/2017 and 2017/2018 financial years.

To be eligible for the rebate, businesses must have a total payroll of more than \$1.1 million.

The 3-month and 12-month time limits only apply if the pre-traineeship employment is for a continuous period. Weekends are not considered to be a break in the continuous period of employment.

Wages paid to trainees doing further training outside the scope of Certificate III traineeship are not exempt.

The only exemption is if a trainee starts a Certificate III traineeship within 12 months after completing a Certificate II qualification as part of the same training package or related to the same occupation.

For more information visit:  
<https://www.business.qld.gov.au/running-business/employing/payroll-tax/exemptions/apprentice-trainee-rebate> and  
<https://www.business.qld.gov.au/running-business/employing/payroll-tax/exemptions/employees>

You should seek independent advice.

Contact us today for further information:

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Or call in and see us:

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