



## **Frequently Asked Questions- PAYE FINAL WITHHOLDING TAX**

### **1. What is PAYE Final Withholding Tax?**

The Government has considered a new PAYE approach to treat PAYE as a final tax. In other words, the amount of PAYE deducted for a pay-period would represent an employee's final tax liability on that income, providing certainty every pay-day that the correct amount of tax has been deducted. This is a new system where the correct amount of tax (PAYE) is deducted from your salary/wage.

### **2. When will it come into effect?**

January 1, 2013.

### **3. What will the new rate be?**

The current PAYE tax rates will still apply. Refer to the tax tables.

### **4. What am I expected to do as an employee?**

You are required to fill the Employee Tax Code Declaration. You are also required to register for a Tax Identification Number if you don't have one.

### **5. What is an Employee Tax Code Declaration?**

It is a form that has to be filled by ALL employees. It requires the following:

- Tax Identification Number
- Personal Details
- Indicate whether it is your primary or secondary employment

### **6. What allowances would employees be entitled to in 2013?**

There would be no allowances allowed in 2013.

### **7. Will I be getting a refund in 2013?**

The returns for the tax year 2012 will be processed in 2013 and the returns will be processed in the normal manner to determine whether it is a refund or payable case. For the tax year 2012, the allowances have been maintained i.e. marital allowance. Dependent child allowance, FNPF allowance, elderly dependent allowance.

**8. Do I have to lodge tax returns or Form S in 2014, for the 2013 tax year?**

No, unless you have received a redundancy or any lump sum payment, or you feel that you have been overtaxed.

**9. How about employees who are also earning business income?**

Employees that have other sources of income, for example rental income, will be required to lodge an annual business return using Form B. All those lodging Form B will maintain their annual lodgement as they did previously.

**10. Do I have to fill two Employee Tax Code Declaration forms if I hold two jobs?**

Yes, you have to declare in each of the forms your primary and secondary employment.

**11. How will I know the total amount of tax that is deducted by my employer for the year?**

FRCA can assist you on this. FRCA can send you a Statement of Earnings if you request it.

**12. If I am migrating, what do I need to do to get a Statement of Earnings?**

You need provide FRCA a copy of your visa, ticket, letter of resignation and acceptance of your resignation.

**13. Should I be made redundant during the year and have been over taxed, will FRCA refund me the overpaid tax?**

Yes, you will need to fill a Form S to claim your refund.

**14. What are the responsibilities of an Employer?**

- Employers must deduct the correct PAYE from employment income taking into account any Employee Tax Code Declaration and Tax Table
- Employers will have to remit PAYE Final Tax to FRCA on a monthly basis
- Employers will be required to lodge monthly Employee Monthly Schedule
- Ensure that all employees have filled the Employee Tax Code Declaration
- Ensure that all employees have given their TIN

**15. How would employers benefit from the new PAYE as Final Tax scheme?**

- Lesser possibility of being penalised
- FRCA dedicated team to assist employers
- No need to issue P4-1 slips

**16. How would an employer deduct the correct amount of PAYE?**

- Ensure that all employees provide their Tax Code Declaration Form
- Ensure that all employees provide their TIN

- Ensure that tax is deducted according to PAYE Tax Table

### **17. What is the Employer Monthly Schedule (EMS)?**

It replaces the current P4 annual summary, however, EMS will be submitted with employee details of Total Employment Income deducted on a monthly basis. The due date is at the end of the month or the last working day of the month if the end of the month falls on a weekend.

### **18. What happens if employees don't provide their Tax Declaration Code?**

This is a requirement by law and the employers will have to ensure that each employee forwards the Tax Code Declaration. They will be taxed at the maximum rate, which is 20 per cent.

### **19. What happens if an employee provides a Tax Declaration Code with no TIN?**

They will be taxed at the maximum rate. However, it is the duty of the employer to ensure that all employees provide a TIN.

### **20. If an employer does not have a compatible software on this new scheme, can FRCA assist?**

Yes, contact FRCA Information Technology Division on 3243702 or email [developers@frca.org.fj](mailto:developers@frca.org.fj).

#### **For more information please contact:**

- The Designated PAYE Final Tax Team on 3243581/3243682/3243525; or
- Taxpayer Education and Publicity Unit on 3243 505/ 3243509/3243595/3243523 or
- Employers Hotline on 3243576.

You may also email your query to [tepu@frca.org.fj](mailto:tepu@frca.org.fj) or [payefinal@frca.org.fj](mailto:payefinal@frca.org.fj) or you can visit our website ([www.frca.org.fj](http://www.frca.org.fj)) or any FRCA office.