

TRMeR Information Sheet

Annual Return Requirements – Claiming the General Exemption Deduction (GED)

Introduction

Non group employers, and the designated group employer (DGE) of a group, are entitled to claim a general exemption deduction (GED) which is currently \$1 250 000 per annum. Only one member of a group, the designated group employer, is entitled to claim the GED. All other members of the group are required to pay tax on their NT taxable wages without deduction.

If an employer or a group of employers pay NT and interstate taxable wages, only a proportionate GED may be claimed by the employer or DGE. This is an amount based on the proportion of the NT taxable wages to the Australian (NT plus (+) interstate) taxable wages of the employer or the group. If an employer or group commenced to employ (anywhere in Australia) or ceased to pay NT taxable wages during the year, the GED is further reduced by the proportion of the relevant employment periods.

The GED can be claimed in each monthly return on either an estimated or actual basis, or an employer or DGE may elect to claim the GED in the annual return.

Common Myths

Myth I'm not entitled to claim the GED because my wages are too high.

Response *Not true! The GED applies irrespective of the amount of wages paid by an employer, or group of employers.*

Myth I claim the GED in another state therefore can't claim it in the NT.

Response *Not true! The GED applies irrespective of whether the employer or group claims the GED in another State.*

Myth My parent company claims the GED in other states but doesn't employ in the NT so our group can't claim the GED.

Response *It does not matter which member of the group is nominated to claim the GED in each state.*

View your status

To determine whether you are entitled to claim the GED, your status is displayed on the 'Welcome to TRMeR' screen next to your entity details.

If you are recorded as a **non group** employer you are entitled to claim the GED in your monthly and/or annual return.

If you are recorded as a **group** employer you are only entitled to claim the GED if you are the **DGE**. If you are the DGE a red tick will be displayed next to your entity details on the 'Welcome to TRMeR' screen and you are entitled to claim the GED in your monthly and/or annual return. If you are a group member who is not the DGE, only your group number will appear.

If your status is not correctly recorded in TRMeR, or if your status changes during the year, you are required to contact TRO immediately.

A status change occurs if an employer:

- *becomes a member of a group, or ceases to be a member of a group, or joins another group during the financial year; or*
- *is the DGE of a group of which other members cease or become members of during the financial year.*

Claiming your monthly GED

NT only employers and groups

If you are a non group employer or the DGE of a group that only employs in the NT, TRMeR will automatically allocate you the full monthly GED (currently \$104 167).

NT and interstate employers and groups

A non group employer or DGE may elect to claim the GED based on the estimated method which allows for a fixed monthly exemption to be claimed in each return from July to May in each financial year. Alternatively, they may elect to claim the GED based on their actual wages in each return period.

You are required to activate your GED by following the steps below:

The estimated method

If you, or your group, were employed in the NT for the whole of the previous financial year, your estimated GED will be based on the actual taxable wages paid during that period. Alternatively, it will be based on your estimated taxable wages payable for this financial year.

1. Log on to TRMeR and click 'Select' (next to the 'Entity's Details').
2. From the 'Entity' screen click 'General Exemption Details'.
3. Ensure the radio button next to 'I do want to claim the general exemption' has been selected. Once selected, a further section will appear requiring additional information to allow TRMeR to calculate your periodic general exemption deduction.
4. Populate the wage fields with your actual taxable wages for last financial year, or estimated taxable wages for this financial year as applicable.
5. Once the fields are populated click 'Submit'.
6. You will then be asked to confirm your selection and the data entered.
7. Click 'Submit', then 'OK' to finalise the change.
8. Based on the information you enter, TRMeR will calculate your estimated GED and populate each monthly return, other than the June and annual adjustment return.
9. You will then be required to update your details at the beginning of each financial year.

The actual method

Follow the steps outlined above before lodging each monthly return, substituting you or your group's **actual** NT and Australia wide taxable wages for that month at step 4.

Claiming the GED in your annual return

If you are entitled to claim the GED, TRMeR will ask you whether you wish to claim it as part of the Annual Return process (note - it is not mandatory to claim the GED).

If you answer 'Yes', you will be required to enter your, or your groups, actual NT and Australia wide taxable wages for the period of your return and TRMeR will automatically calculate your GED.

If you select 'No', tax will be calculated based on your full NT taxable wages without deduction.

Where your status has changed during the year and you are entitled to claim the GED for part of the year and wish to claim it, you need to answer 'Yes' to the question 'Did you have a change in group status during the financial year for which you are about to lodge?'. TRMeR will then determine whether you are entitled to claim the GED based on your status during each period.

Help

If you require assistance at any stage during the process, you can refer to the help function available at the top of each screen.

For further information, contact the Territory Revenue Office

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Website: <http://www.revenue.nt.gov.au/>
