



PAYE ON SALARIES AND WAGES

Pay As You Earn (PAYE) is the basic tax taken out of your employees' salary or wages. The amount of PAYE you deduct depends on each employee's tax code.

PAYE employees must complete a [Tax code declaration \(IR 330\)](#) as soon as they start working for you. If an employee fails to complete the tax code declaration, you must deduct PAYE at the [non-declaration rate](#).

Payday filing was introduced for the way businesses report payroll information and became compulsory in 2019.

Employers must:

- File employment information within 2 working days after every payday instead of an Employer monthly schedule (IR348)
- Provide new and departing employees' address information, as well as their date of birth - if they have provided it to you
- File electronically (from payday compatible software or through myIR) if your annual PAYE/ESCT is \$50,000 or more.

If you are a 'small employer' with gross annual PAYE deductions of up to \$500,000, you make payments to Inland Revenue on the 20th of the month following the deductions, although you can choose to pay more often.

If you are a 'large employer' with gross annual PAYE deductions over \$500,000, you need to pay deductions twice a month although you can choose to pay more often.

For more information regarding PAYE or to register as an Employer either call us or visit the [Inland Revenue website](#).