

FORM S3

Salary and Wages
Withholding Tax



PAPUA NEW GUINEA INTERNAL REVENUE COMMISSION

PNGIRC - Your Partner in Nation Building

PLACE SIGTAS
BAR CODE HERE
25.4mm x 50.8mm

Tax Identification No. (TIN) OF EMPLOYER:

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Effective date: 6 March 2014

INCOME TAX ACT 1959 AS AMENDED

SALARY OR WAGES DECLARATION

NAME AND ADDRESS OF TAXPAYER (EMPLOYEE)

NAME OF TAXPAYER:					
CONTACT / REPRESENTATIVE:					
PHONE No:					
E-MAIL ADDRESS:					
MAILING ADDRESS	SECTION No:			LOT No:	
	STREET / SUBURB / DISTRICT:				
	P.O. BOX:				
	COUNTRY:			PROVINCE:	
	CITY / POST OFFICE:				
	CARE OF (C/-):				

NOTICE TO EMPLOYEE

- Every employee must complete and furnish this form to their main employer in duplicate.
- If you have more than one employer at any one time you only lodge a Salary or Wages Tax Declaration with your main employer, you cannot have more than one Salary or Wages Tax declaration being used anywhere at the same time.
- Every time any event happens that changes the amount of tax you should pay you must fill out a new Salary or Wages declaration form within 14 days and give this to your employer. Such matters include a change in the number of dependants e.g. the birth or death of a child or a change in a benefit or allowance received.

Are you a resident of Papua New Guinea?	10	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (See notes below)
What is the type of work you do:	20	
Name of your Employer:	30	
Business Address of your Employer:	40	
Note: write your Employer's TIN at the top of this form		
Is this a full time or part time job?	50	<input type="checkbox"/> Fulltime <input type="checkbox"/> Part-time
Do you work for another Employer?	60	<input type="checkbox"/> Yes <input type="checkbox"/> No
What period of employment does this declaration cover?	70	From: _____ / _____ / _____ To: _____ / _____ / _____

DEPENDANTS

Note: A claim cannot be made in respect of any dependant that is partly or wholly engaged in subsistence farming. If more than one member of the family helps maintain a dependant, only one spouse may list the dependant in the table below. Refer to the notes below for further information.

Note: If you have dependents, list them below. Note that you may only claim the first three (3) dependents here:

CLASS OF DEPENDANT	FULL NAME OF DEPENDANT	DATE OF BIRTH	IS DEPENDANT WHOLLY MAINTAINED BY YOU AT PRESENT?
SPOUSE	80	90	100 <input type="checkbox"/> Yes <input type="checkbox"/> No
CHILDREN UNDER 16 YEARS	110	120	130 <input type="checkbox"/> Yes <input type="checkbox"/> No
	140	150	160 <input type="checkbox"/> Yes <input type="checkbox"/> No
	170	180	180 <input type="checkbox"/> Yes <input type="checkbox"/> No
	190	200	210 <input type="checkbox"/> Yes <input type="checkbox"/> No
STUDENT CHILDREN 16 - 25 YEARS	220	230	240 <input type="checkbox"/> Yes <input type="checkbox"/> No
	250	260	270 <input type="checkbox"/> Yes <input type="checkbox"/> No
	280	290	300 <input type="checkbox"/> Yes <input type="checkbox"/> No
	310	320	330 <input type="checkbox"/> Yes <input type="checkbox"/> No

Read the notes below to see if you are entitled to claim for any other dependant. If you are, fill in the details in the block below:

CLASS OF DEPENDANT	FULL NAME OF DEPENDANT	AGE	RESIDENTIAL ADDRESS	IS DEPENDANT WHOLLY MAINTAINED BY YOU AT PRESENT?
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No

ALLOWANCES / BENEFITS

Are you in receipt of any of the following Allowances/Benefits? If so, tick the appropriate box:

HOUSING				MOTOR VEHICLE		OTHER			
High <input type="checkbox"/>	Medium <input type="checkbox"/>	Low Cost <input type="checkbox"/>	Barrack <input type="checkbox"/>	With Fuel <input type="checkbox"/>	Without Fuel <input type="checkbox"/>	Housing Allowance <input type="checkbox"/>	Entertainment <input type="checkbox"/>	Meals <input type="checkbox"/>	Telephone <input type="checkbox"/>

DECLARATION

- a) I declare that the information that I have provided is true and correct in every detail and discloses a full and complete statement of the facts. I understand that the law imposes heavy penalties for false and misleading statements.
- b) I have not lodged a SALARY OR WAGES TAX DECLARATION with any other employer that is being used at the same time as this declaration.

SIGNED (EMPLOYEE): DATE:

SIGNED (EMPLOYER): DATE:

MAXIMUM PENALTY FOR A FALSE DECLARATION IS K10,000.00 OR 6 MONTHS IMPRISONMENT.

NOTES FOR GUIDANCE

DEPENDANTS

A claim may be made for the following classes of dependants - SPOUSE (WIFE OR HUSBAND), CHILDREN UNDER 16 YEARS OF AGE, STUDENT CHILDREN 16 to 25 years of age. INVALID RELATIVES permanently incapacitated from work and PARENT of yourself and your wife. Your dependants are taken into account in working out how much tax will be taken out of your salary or wages. However, they can only be used if they satisfy the following conditions:

1. A claim may not be made for a dependant who receives a separate net income or more than K1040 per year, or more than K40 per fortnight.
2. A claim may not be made for a dependant who is not wholly maintained by you, or who also receives support from other members of the family or other sources.
3. In addition, the following specific conditions apply:

STUDENT CHILDREN - Must be no older than 25 and must be receiving full time education at a school, college or university.

INVALID RELATIVES* - Must be your child, brother or sister. A certificate from a Government Medical Officer must be attached to this declaration, stating that the invalid relative is permanently incapacitated for work.

PARENTS* - Must be resident in Papua New Guinea and must not be maintained partly or wholly from subsistence farming or receive support from other members of the family.

*** NOTE:** A claim for the dependants marked with the asterisk (*) may only be allowed if the employee produces a letter from the Internal Revenue Commission authorising the employer to allow that claim.

Non-Resident of Papua New Guinea means a person who arrives in Papua New Guinea with the intention of staying for less than 183 days during a twelve month period. If you require further information you may contact the Internal Revenue Commission on telephone number 322 6600.

Allowances. The Income Tax Act has been recently amended to provide for the inclusion into the calculation of employees' salary or wages, the value of certain benefits paid to them, or on their behalf, by their employers. These adjustments are imposed whether such benefits come to the employee directly or indirectly.

ACCOMMODATION

TYPE OF HOUSING	AREA 1	AREA 1	AREA 3
HIGH COST - House or flat	700	500	NIL
MEDIUM COST - House or flat	400	300	NIL
LOW COST - House or flat	160	150	NIL
MESS OR BARRACK STYLE BASIC ACC.	60	50	NIL
GOVERNMENT MESS OR BARRACKS	7	7	NIL
CITIZEN EMPLOYEES IN RECEIPT OF HOUSING ALLOWANCE	NIL	NIL	NIL

1. **Employees provided with accommodation outside of Papua New Guinea** by their employer are automatically deemed to reside in AREA1. They are subject to the inclusion of the taxable benefit for private high cost housing.
2. **Low cost housing** is any unit of accommodation that would fetch K400,000 or less if sold on the open market, and in any other case for which the market rental is K1000 per week or less.
3. **Medium cost housing** is any unit of accommodation that would fetch between K400,000 and K800,000 if sold on the open market, and in any other case for which the market rental is between K1000 per week and K3000 per week.
4. **High cost housing** is any unit of accommodation that would fetch more than K800,000 if sold on the open market, and in any other case for which the market rental is K3000 per week or more.
5. The areas mention refer to the area located in or within a 15 kilometre radius of the boundaries of any of the following towns.
 - AREA 1:** Goroka, Lae, Madang, Mount Hagen, Port Moresby.
 - AREA 2:** Alotau, Bulolo, Bwagaioia, Daru, Kainantu, Kavieng, Kerema, Kokopo, Kimbe, Kiunga, Kundiawa, Lorengau, Mendi, Popondetta, Porgera, Rabaul, Tabubil, Wabag, Wau and Wewak.
 - AREA 3:** Is any place within Papua New Guinea not included in Areas 1 and 2.

HOUSING ALLOWANCE PAID IN LIEU OF ACCOMMODATION

The full amount of any housing allowance paid to any employee is to be included in the calculation of the Salary and Wage of the employee and taxed accordingly. Citizen employees where the allowance is solely for the provision of accommodation are taxed on the excess of the housing expenditure. It is expected that the allowance could also be used for the purchase of the first home and in approved low cost housing schemes. The employee is to submit a form to the Commissioner General stating the expected housing expenditure for the year and the Commissioner will make a determination as to the amount of the allowance that is to be included in the employee's salary or wage. The necessity to request a variation is not required where the allowance is applied under a low cost housing scheme.

MOTOR VEHICLE

Where the vehicle is provided by the employer and the employee has unrestricted use of the vehicle, the following amount is to be included:

- a. Motor vehicle supplied with fuel K 125 per fortnight
- b. Motor vehicle supplied without fuel K 95 per fortnight

Where the employee has restricted use of a vehicle supplied by the employer, such value as determined by the Commissioner General, shall be included in the Salary or Wages of the employee. If no determination is made then the values shown above apply.

MEALS

Where the employee is provided with "messing" type meals the sum of K30 is added to the employee salary or wage. In all other cases where meals are provided the actual cost to the employer is included in the employee's salary or wage and taxed accordingly.

DIRECTION TO EMPLOYERS

After receipt of this form duly completed in duplicate and signed by any employee the employer is to deduct from the employee's salary or wages the tax deductions appropriate to his or her income (including allowances and benefits) and dependants.

An employee who has furnished a declaration must complete a new declaration if the employee's entitlements to rebates on account of dependants (if any) has changed since the previous declaration was furnished, or where he is supplied with any benefits or allowances.

- An Employer
- shall not allow a rebate in respect of a dependant not claimed in salary or wages declaration.
 - shall cease to give effect to a declaration
 - (a) where the employee who furnished the declaration so requests; or
 - (b) after the last day prior to 1 January next following the date on which the declaration was furnished or such date as determined by the Commissioner General of Internal Revenue.
 - send the original of this form to the Internal Revenue Commission with the next monthly remittance if the employee has claimed a dependent invalid relative or parent.
 - in special circumstances may apply in writing to the Commissioner General, to waive the requirement [set out in (b) above] for the lodgement of a declaration by any employee in accordance with the provision of Section 66A(4) of the Income Tax Regulations.
 - retain the copy for inspection purposes.