



Internal Revenue Commission

Taxpayer Notice on Salary & Wages Tax

A MESSAGE TO EMPLOYEES OF BUSINESSES, COMPANIES & STATE INSTITUTIONS

ARE TAXES DEDUCTED FROM YOUR PAY ACTUALLY PAID TO THE IRC?

IS YOUR EMPLOYER REMITTING WHAT YOU PAY TO THE IRC?

Lodgement and Payment Obligations

Tax Type	Return Due	Payment Due	PENALTIES	
			Income Tax Act 1959	
Salary and Wages	7th day of the following month	7th day of the following month	Late lodgement (s299G(8)(b)) IT Act - 20% flat rate of tax plus 20% p.a of the tax amount remaining unpaid	It is an offence not to remit taxes deducted from employees' salaries to the IRC. Directors, Managers & CEO's can be penalised for failing to comply with the tax laws. All must remit employees' salaries & wages taxes to the IRC with the Remittance Form (S2) HEAVY PENALTIES APPLY WHEN TAXES ARE NOT PAID BY THE DUE DATES.
			Late Payment: s299G(8)(b) IT Act - 20% flat rate of tax plus 20% p.a of the tax amount remains unpaid	

ARE EMPLOYEES TAXES USED TO FUND OTHER BUSINESS OPERATIONS?

- COMPANY DIRECTORS
- BUSINESS OWNERS
- STATE OWNED ENTERPRISES (SOEs)
- EDUCATION INSTITUTIONS, UNVIVERSITIES & COLLEGES

Employers are legally responsible for deducting Salary & wages taxes from employees' salaries each fortnight and remitting that to the IRC.

Employees earning less than K12, 500.00 or K480.77 per fortnight should not have SWT deducted from their salaries **HOWEVER**, employers must still account for the number of employees within these category each month.

SWT are imposed at a rate of 22% up to a maximum of 42% depending on how much is paid to a person for services rendered to the employer.

Companies who allow their senior management or company officials to organise interposed entities to minimise the amount of SWT taxes paid by a company official or employee will be heavily penalised

SALARY AND WAGES TAX TABLE

When Annual Income Is		Marginal Tax Rate
Greater than	Less than or equal to	
0	12,500	0 %
12,500	20,000	22 %
20,000	33,00	30 %
33,00	70,000	35 %
70,000	250,000	40 %
250,000		42 %

SWT tax tables can be downloaded from the IRC website <http://irc.gov.pg/tax-information/salaries-wages/#salaryWages>

For further enquiries please contact:

An IRC office closest to you or visit website www.irc.gov.pg Or call us on telephone 322 6600.

If you have any complaints concerning your taxes, please email us on: taxcomplaints@irc.gov.pg

Authorised By

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Acting Commissioner General

Internal Revenue Commission of PNG

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