

USE of TAX DEDUCTION TABLES to COMPUTE P.A.Y.E.

EXAMPLE

Monthly Salary	1,500.00
Employee's Contribution to N.I.C.	75.00(5%)
	1,425.00

Code Number 164M

1. Refer to “Monthly Tax Deduction”
2. Look down the left hand “Monthly Pay” column for the amount closest to but not less than \$1425,
3. Follow this line across to Code 164M. The tax to be deducted that month is where these two columns intersect.

**USE of TAX DEDUCTION TABLES
to COMPUTE P.A.Y.E.**

Where the Code Number exceeds that shown on the tables
use the annual tables at the back of the **Tax Tables Book**

Example:

Monthly Pay \$7,000

Code : 320M

USE of TAX DEDUCTION TABLES to COMPUTE P.A.Y.E.

1. Multiply pay by the number of pay periods in a year.

i.e. $\$7,000 \times 12 = \$84,000$

$\$7,000 \times 26$ Fortnightly

$\$7,000 \times 52$ Weekly

2. Deduct allowances according to the employee's code.

$\$320 \times 100 = \$32,000$

$\$84,000 - \$32,000 = \$52,000$

Less: Annual NIS Amount $(\$52,000 - \$3,300) = \$48,400$

3. Look down the annual table and use the nearest amount in column 1 (Pay Per Year) i.e. and divide by the number of pay periods in the year

Monthly deduction - $\$835.00$

NON-RESIDENT EMPLOYEES

When an employee arrives in the island for the first time and will be employed for a period of less than 183 days in the year of income you are to use the non-resident tables.