



# Tax Facts – 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 no-declaration rate.

Employers must also file an [employer monthly schedule](#) with IRD detailing each worker's gross earnings and deductions. Employers with gross annual PAYE of \$100,000 or more must file this schedule electronically with IRD using IRD's IR File system.

If you are a 'small employer' with gross annual PAYE deductions of up to \$500,000, payments are made to IRD on the 20th of the month following the deductions. The employer monthly schedule must also be filed by the 20th of that month

- If you are a 'large employer' with gross annual PAYE deductions over \$500,000, the deductions made from payments made to employees between the:  
1st and the 15th of the month are paid by the 20th of the same month.
- 16th and the end of the month are paid by the 5th of the following month (except for December payment to be made by 15 January). The employer monthly schedule must also be filed by the 5th of that month

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