

UQ FBT Guide

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1 Introduction

This Fringe Benefit Tax (FBT) Guide is written for staff of the University of Queensland.

This FBT Guide should be read in conjunction with the FBT Policy (PPL 9.65.02) which can be found on the UQ Policy and Procedures Library (PPL) website.

The focus of this FBT Guide is on the FBT implications of certain expenditure. Whether the expenditure itself is allowable under the University's policies (regardless of FBT) is covered by the relevant PPLs as noted throughout this FBT Guide, when applicable.

This Guide provides guidelines and examples in relation to the application of the FBT legislation. As FBT can be quite complex, we advise that the Taxation Unit within FBS (FBS Tax) at fs-tax@uq.edu.au be consulted for further information.

The University has relied on the information, rulings, guidelines and interpretations provided on the ATO website and external tax consultant when applicable in preparing this FBT Guide.

2 Fringe Benefits Tax General Information – FBT PPL supplementary

Fringe benefit is a benefit provided to an employee or their associate in respect of employment.

2.1 *Benefit Provided in Respect of Employment*

The phrase ‘in respect of’ is defined to include by reason of, by virtue of, or for or in relation directly or indirectly to, the employment of the employee. What must be established is that there is a sufficient or material, rather than a causal connection or relationship, between the benefit and the employment.

As a guide to whether a benefit is provided ‘in respect of employment’, consider whether the University would have provided the benefit if the person had not been an employee or an associate of an employee.

2.2 *Recipient of Fringe Benefits : Who Are Employees and Associates?*

2.2.1 *Employees vs Non-employees*

It is important to determine whether an individual is an employee or non-employee of the University for FBT purposes.

In general, The University is liable to pay FBT if a benefit is provided to an employee in receipt of salary or wages from which PAYG withholding must be deducted. Conversely, fringe benefits is not subject to FBT if provided to an employee whose salary or wages is not subject to PAYG withholding (e.g. exempt income). A person who does not receive “salary or wages” but only receives non-cash benefits is an employee if, had they received cash, that amount would have been subject to PAYG withholding.

The following people are generally considered to meet the definition of **employee** for FBT purposes:

- The University current staff member who receives salary and wages and listed in My Aurion;
- Emeritus professor of the University, paid or unpaid, as defined by the UQ PPL 5.20.16;
- Future employee of the University when the person has committed to the employment in the University (i.e. signed contract, confirmed through email, or provided verbal acceptance);
- Students who receives the fringe benefit in their capacity as a staff member (example 2.1);
- Honorary title holder and adjunct professor who are paid or receives non-cash benefits that amount would have been subject to PAYG withholding;
- A volunteer who receives non-cash benefits in lieu of salary and wages;
- Thesis markers, visiting academics, occupational trainees who receive payments through HR Payroll due to the specific rules that apply in regards to these payments.

The following people are generally considered to be **non-employee** for FBT purposes:

- A genuine volunteer* e.g. people who participates in research programs;
- Students who receives the benefit in their capacity as students (example 2.1);
- Unpaid honorary title holder and unpaid adjunct professor;
- Unpaid senate members who are not listed as employee above;
- Thesis markers, visiting academics, occupational trainees who receive payments through FBS Accounts Payable due to the specific rules that apply in regards to these payments.

*A **genuine volunteer** does not work under a contractual obligation for remuneration and would not be an employee or an independent contractor. Payments (can be referred to as honoraria, reimbursements, and allowances) to genuine volunteers can be in the nature of cash and/or non-cash benefits. Reimbursing a genuine volunteer for out-of-pocket expenses does not cause them to become an employee. No FBT liability arises for benefits the University provides to genuine volunteers.

Example 2.1 – Students Who Are Also Staff

How should we treat students who work 2 days per week in a School when they are attending a UQ hospitality event or travelling for UQ research? Are they employee or ‘other-people’?

It depends on what capacity they are acting in when receiving the ‘benefit’ or engaging in the activity.

If they are attending a staff end of year sausage sizzle event, they are treated as an employee. If they are attending a wine and cheese event after their graduation ceremony, then they are treated as ‘other-people’ in the Hospitality Calculator .

2.2.2 Associates of employee

Associates of employee for FBT purposes include a family member, relative, a partner, spouse or a child of an employee, and companies that are effectively controlled by the employee or associates of employee.

Provision of fringe benefits to associates of employee is subject to FBT and the costs should be allocated to an FBT-able account in UniFi according to the type of expense.

The minute exceptions where a fringe benefit provision to associates will not be subject to FBT are for fringe benefits provided related to relocation (see section 10.2) and for hospitality that provided in the ordinary course of business that meets the FBT exemptions requirements (see section 5.2).

2.3 FBT Calculation

QUICK TIPS IN CALCULATING THE FBT (2016 & 2017)

>For expenses where GST can be claimed : GST exclusive amount x 108%

>For expenses where GST cannot be claimed: GST exclusive amount x 89%

FBT on majority of fringe benefits provided by the University is calculated automatically in UniFi (see section 2.4). However for budgeting, planning, or approval purposes, it is necessary to calculate the FBT manually. The following method will assist for that purpose and explains the underlying calculation behind the UniFi automatic FBT calculation.

The FBT is calculated using this formula: **Taxable value x Gross-up rate x FBT rate**

2.3.1 Taxable Value

Each section of the fringe benefits in this FBT Guide outlines the taxable value for each benefit. The **taxable value** is generally the cost of purchase.

Taxable value for Type 1 is the GST inclusive amount or the amount as per UniFi x 1.1

Taxable value for Type 2 is the GST exclusive amount or the amount as per UniFi

2.3.2 Gross-up rate

The **gross-up rate** applicable depends on the University's ability to claim GST:

- **Type 1** : This is to be used where GST is charged in the invoice and Tax Treatment ID 'AO' or 'AC' is used when processing in UniFi (GST credit can be claimed by the University).
- **Type 2** : This is to be used where GST is not charged in the invoice and Tax Treatment ID 'Free' or 'EXCL' are used when processing in UniFi, or when GST is charged in the invoice however the Tax Treatment ID 'AOPU', 'AOIT', or 'AICT' are used (GST credit cannot be claimed by the University).

2.3.3 Reportable fringe benefits amounts and grossing up

Regardless of whether the benefits provided are type 1 or type 2, only the lower gross-up rate is used for reporting on employee's payment summaries. Refer to GU RFB in table below.

2.3.4 FBT Rate Table

FBT Year	FBT rate	GU Type 1	GU Type 2	GU RFB
Ending 31 March 2015	47%	2.0802	1.8868	1.8868
Ending 31 March 2016	49%	2.1463	1.9608	1.9608
Ending 31 March 2017	49%	2.1463	1.9608	1.9608
Ending 31 March 2018	47%	2.0802	1.8868	1.8868

2.4 FBT & UniFi

FBT is automatically calculated at the end of month in UniFi based on all transactions posted to these FBT-able accounts as the taxable value:

- 650141 : Relocation & Visa Costs – FBT
- 650151 : Other Staff Expense / Cost - FBT
- 650230 : Self Education & HECS Reimbursements - FBT
- 707160 : Travel – Domestic Staff Private and Staff Family – FBT
- 707260 : Travel – International Staff Private and Staff Family – FBT
- 707410 : Corporate Hospitality – FBT
- 707430 : Staff Gifts & Awards >\$300- FBT
- 707445 : Employee Hospitality – FBT
- 707465 : Fee-for-service Hospitality - FBT

The FBT expense is posted to account 800410.

3 Car Fringe Benefits

This section applies to car benefits that arise due to:

- cars owned by an employee that are salary sacrificed through the University; and
- cars owned by the University that are used by an employee for private purposes.

Where the car is hired from external supplier by the University for use by an employee, this is NOT a car fringe benefit but may be a residual fringe benefit (see section 9).

Where the car is owned by the employee and the University reimburses the car expenses, this is NOT a car fringe benefit but an expense payment fringe benefit.

3.1 Introduction

A car fringe benefit generally arises when the University makes a car available to an employee or associate for private use.

'Cars' are defined as the following types of vehicles (including four-wheel drive vehicles):

- motor cars, station wagons, panel vans and utilities (excluding panel vans and utilities designed to carry a load of one tonne or more); or
- all other goods-carrying vehicles designed to carry less than one tonne, and
- all other passenger-carrying vehicles designed to carry fewer than nine occupants.

A car is considered (or deemed) to be available for private use by an employee on any day that:

- it is actually used for private purposes (in most circumstances this includes home to work travel), or
- the car is not kept on the University's premises and the employee is allowed to use it for private purposes, or
- the car is away from the University's premises and the employee has control/custody of the car when the employee is not performing employment duties, or
- the car is garaged at the employee's home.

A car that is garaged at an employee's home is treated as being available for the private use of the employee regardless of whether they have permission to use it for private purposes. Similarly, where the place of employment and residence are the same, the car is taken to be available for the private use of the employee.

3.2 Taxable Value

The taxable value of the fringe benefit is calculated using two methods:

- **statutory formula** – The taxable value of the car fringe benefit is a percentage of the car's value. This percentage varies with the total distance travelled by the car during the FBT year (regardless of whether or not it is private travel).
- **operating cost** – The taxable value of the car fringe benefit is a percentage of the total costs of operating the car during the FBT year. The percentage varies with the extent of actual private use.

Please contact the Salary Packaging Office in the HR Division for the calculation method used by the University.

3.3 Exemptions

There are circumstances in which private use of a car by a current employee may be exempt from FBT.

An employee's private use of either:

- a taxi, panel van or a utility designed to carry less than one tonne
- any other road vehicle designed to carry a load of less than one tonne (that is, a vehicle not designed principally to carry passengers) is exempt if the employee's private use of such a vehicle is limited to:
 - travel between home and work
 - travel incidental to travel in the course of performing employment-related duties;
 - non work-related use that is minor, infrequent and irregular

Professional judgement should be exercised when determining the exempt circumstances and definition of minor, infrequent, and irregular.

3.4 Administration

The Fleet Services section at the University maintains a database recording the return and acquisition of motor vehicles.

The Fleet Services officer forwards a copy of the 'UQ Management Vehicle Database' to the Salary Packaging Office on a quarterly basis. The database includes the following information:

- acquisition date and purchase price
- make and model of car
- registration number
- user name
- most recent odometer reading
- account code
- departmental reference code

This database is used by Salary Packaging Office to produce letters to staff with vehicles to obtain their quarterly odometer readings for salary packaging calculation purposes.

The nominated Salary Packaging officer is responsible for calculating the annual FBT liability.

4 Expense Payment Fringe Benefits

It is a general policy that the University should not be incurring any private expenses on behalf of an employee that result in an FBT expense. This guide is to be read in conjunction with PPL 9.40 Procurement and 9.45 Payments which must be adhered to at all times.

4.1 Introduction

An expense payment fringe benefit may arise where the University:

- reimburses an employee for expenses they incur; or
- pays a third party for expenses incurred by an employee (this generally occurs when the University pays a bill on behalf of an employee).

In either case, the expenses may be business or private expenses, or a combination of the two.

In order for a reimbursement of expenses to an employee to be exempt from FBT, a specific FBT concession, FBT exemption or the “Otherwise Deductible Rule” (see 4.2) has to apply.

Table 4.1 – Examples of expenses that may constitute as an expense payment fringe benefit:

Type of expenses	Reference for more detail	Practical example
home telephone/ home internet	Section 4.2.2	4.3
mobile phone / portable electronic communication device	Section 10.2.1	10.2 & 10.2
travel meal or accommodation costs	Section 6	Section 6
visa renewal costs	Section 4.3.2 and 10.2	4.7
private health insurance premiums	Section 4.2.3	4.4
self-education expenses	Section 4.3.1	4.5
FEE - HELP / HECS repayments	Section 4.3.1	4.6
professional memberships	Section 4.2.1	4.1
UQ Sport gym membership	Section 4.4.2	4.8
payment of airport lounge membership	Section 4.2.1	4.2
certain relocation benefits	Section 10.2.4	

The following will be used as a guide when considering FBT implications and the subsequent estimate of any FBT liability on such expenditure.

4.2 Otherwise Deductible Rule

Broadly this rule determines that had the employee paid for the expense themselves directly to the supplier and without reimbursement from UQ, they would have been entitled to claim the amount as an income tax deduction and to include it their personal income tax return (“otherwise deductible”).

Therefore, the expense would not be subject to FBT if the University pays for it instead on the basis that the fringe benefit taxable value may be reduced (possibly to nil) by the amount the employee would have been entitled to claim as an income tax deduction.

4.2.1 Staff Domestic Expense Reimbursement Form

For the ‘otherwise deductible rule’ to be applied the Claimant’s Expense Payment Benefit Declaration (CEPBD) section of the Staff Domestic Expense Reimbursement Form must be completed by the employee and submitted to Accounts Payable with the normal payment / reimbursement documentation.

This form can be found on the FBS website in the Online Forms section.

Table 4.2.1 – Extract from Staff Domestic Expense Reimbursement Form

*CLAIMANT'S EXPENSE PAYMENT BENEFIT DECLARATION									
I also declare that the percentage of those expenses incurred in earning my assessable income was as noted above (i.e. if I had incurred this expense personally, I would be able to claim an income tax deduction of the % above). Some common examples where this applies are self study expenses (excluding HELP), professional memberships, the business portion of home phone/internet, and some relocation costs.									
For more examples please refer to the FBT Guide or contact fbs-tax@uq.edu.au									
Opal Unit	Site	Fund	Function	Account	Project	FFT	Amount (excl GST)	GST	Income Tax Deduction %*

The CEPBD does not have to be filled in for the following specific transaction, (select N/A in the Income Tax Deduction % section):

- genuine honorarium payments¹
- volunteer / research participant payments¹
- expenses which are clearly University’s expenses¹ that are paid by an employee for convenience sake (e.g. equipment purchased for use in a lab). In this case the delivery address should be UQ
- hospitality payments that are supported by Hospitality Calculator² (see section 5)
- travel expenditure only when relevant documentation are in place e.g. Dual Purpose Travel Calculator or Travel Diary² (see section 6)
- airport lounge membership² (see example 4.2 below)
- relocation claims² (see section 10)

¹ incurred in the ordinary course of business that do not constitute a fringe benefit provided to an employee

² fringe benefits provided to an employee which are specifically exempt from FBT or FBT assessment is covered through other FBT documentation

4.2.2 Exemptions on Otherwise Deductible Rule

The “otherwise deductible rule” does not apply where the benefit is provided for an employee’s associate e.g. airfare paid for employee’s spouse.

An employee cannot claim an expense as a personal income tax deduction if the expense has been reimbursed or paid for by the University.

4.2.3 Wholly business related expenses

Generally, when an employee incurred an expense solely in performing employment-related duties, the expense would be wholly deductible for income tax purposes.

Example 4.1 – Work Related Memberships

Marion is a Finance Officer at the University. As part of her employment contract, the University agrees to reimburse her annual CPA Professional Accounting membership (CPA). Is this subject to FBT?

No, but only if Marion has signed the 'Claimants Expense Payment Benefit Declaration' contained with-in the 'Staff Domestic Expense Reimbursement Form'. The membership expense would have been fully deductible in Marion's hands had she paid this herself (since it is a membership related to her work). Marion should put 100% in the Income Tax Deduction % column of the 'Staff Domestic Expense Reimbursement Form'. No FBT will be incurred when paid for the University.

This expense should be posted to a non-FBT UniFi code (650150 Other Staff Expense / Cost – non-FBT).

Example 4.2 – Airport Lounge Memberships

Andrew is a member of the University Executive and the University agrees to pay his Qantas Club membership as part of the conditions of his employment contract. Is this subject to FBT?

No. There is a specific exemption for airport lounge memberships. More information is contained in section 10.1.2 of this guide. The Claimant's Expense Payment Benefit Declaration is not applicable.

This expense should be posted to a non-FBT UniFi code (650150 Other Staff Expense / Cost – non-FBT).

4.2.4 Dual purpose expense

If the University pays or reimburses an expense which is partly employment-related and partly private, a calculation will need to be made to determine the amount that should be posted to FBT and non-FBT UniFi accounts.

However, as noted in [10.3.1](#), there is no requirement to split costs relating to a portable electronic communication devices (e.g. mobile phones, iPads) if they are predominantly used for business purposes. Provided the private use is not 50% or more of the total use, FBT would not apply.

Example 4.3 – Home Phone Expenses

Sue is an employee of the University. As part of her employment negotiations the University

agreed that Sue could work from home 2 days per week. She makes calls on her home phone for work and private purposes. The University agrees to reimburse the business portion of her home phone bill. The total phone bill for one month was \$100. Of this \$20 was work related and \$80 was for personal calls. When Sue fills out the “Staff Domestic Expense Reimbursement” form, she claims \$20. Is this subject to FBT?

No, but only if Sue has signed the ‘Claimants Expense Payment Benefit Declaration’ contained with-in the ‘Staff Domestic Expense Reimbursement Form’. When Sue fills out the form, she should put 100% in the ‘Income Tax Deduction %’ because Sue has only claimed the work portion of her home phone bill.

When Sue fills out the “Staff Domestic Expense Reimbursement” form, she claims \$100. Is this subject to FBT?

Partially, but only if Sue has signed the Claimants Expense Payment Benefit Declaration contained with-in the ‘Staff Domestic Expense Reimbursement Form’. When Sue fills out the form, she should put 20% in the ‘Income Tax Deduction %’ column because only 20% of the full \$100 is work related. The private portion of the expense (\$80) is subject to FBT.

The work related portion of the expense should be posted to a non-FBT UniFi code (706110 – Phone/Facsimile Charges – Corporate only non FBT).

The private portion of the expense should be posted to an FBT Unifi code (650151 – Other Staff Expense / Cost - FBT)

4.2.5 Private expenses

It is against UQ policy to reimburse or pay for private expenses on behalf of employee. However, should a private expense occur, the full amount should be posted to an FBT Unifi code.

Example 4.4 – Private Health Insurance

James is an employee of the University. As part of his employment negotiations, the University agreed to reimburse his private health insurance costs. Is this subject to FBT?

Yes. When James fills out the ‘Staff Domestic Expense Reimbursement’ form, he should put 0% in the ‘Income Tax Deduction %’ column. The expense should be coded to a FBT Unifi code (650151 – Other Staff Expense / Cost - FBT)

4.3 Details on Specific Expense Payment Fringe Benefits

Details on specific expense payment fringe benefits which commonly apply to the University are as follows.

4.3.1 Self-education Expenses and HELP

When the University reimburses or pays directly to the supplier for an employee’s self-education expenses (e.g. tuition fee), FBT will not be applicable if the study is related to the employee’s current area of work and all of the requirements of the “otherwise deductible rule” can be applied.

Otherwise deductible rule does not apply for the following items and FBT will apply if the University reimburses / pay for these items:

- HECS HELP loan repayment relates to Commonwealth-supported courses, and are not deductible in an employee's tax return regardless of being paid upfront or completed as a HECS HELP loan/debt.
- FEE-HELP relates to courses that are **not** subsidised by the Government. They can be deductible in the employee's tax return where the Tuition fee payment is made **up front** and it meets the other self-education conditions set by the ATO. Where a FEE-HELP is **not** paid upfront and is a debt/loan; a repayment of that loan is not deductible in the employee's tax return and so will have FBT applicable if paid/reimbursed by UQ.

HELP (HECS-HELP, FEE-HELP, and OS-HELP) loan repayments paid to the ATO or reimbursed by the University for employees are fully subject to FBT regardless of whether the course is work-related. The "otherwise deductible rule" can only apply for a reimbursement of the initial subject fee and not to a reimbursement of a repayment of a HELP debt.

UniFi codes for the posting of reimbursement of self-education expenses are:

- **650230** – Self Education & HELP Reimbursements – FBT

- **650240** – Self-Education Expense Reimbursements – non FBT

Example 4.5 – Self-Education Course Fees no FBT

Ian is an Accountant at the University. As part of his employment contact, the University agrees to reimburse the tuition fee of his postgraduate course fees for Advanced Accounting. Is the reimbursement of the tuition fee subject to FBT?

No it is not subject to FBT. The course fees would have been deductible if Ian had paid them himself as they are directly related to his work. Ian has to complete a 'Staff Domestic Expense Reimbursement Form' and sign the 'Claimant's Expense Payment Benefit Declaration'. He should put 100% in the 'Income Tax Deduction %' column of the form, as the percentage of the expense incurred in earning his assessable income is 100%.

The reimbursement should be posted to 650240 – Self Education Expense Reimbursements.

Note: The above example assumes that Ian meets the requirement outline in PPL 5.80.07 Study Assistance Scheme for Professional Staff.

Example 4.6 – Self-Education Course Fees FBT

Ian is an Accountant at the University. To improve his musical ability, which is Ian's main interest outside of work, Ian enrolls in the Bachelor of Music degree. Ian applies for a reimbursement of the tuition fee from his supervisor. Should the organisational unit where Ian works approve the reimbursement; will it be subject to FBT?

Yes, the reimbursement would have been subject to FBT. Ian could not claim the tuition fees as income tax deduction in his personal income tax. Should UQ agree to provide reimbursement, the amount is subject to FBT in full. When Ian completes the 'Staff Domestic Expense Reimbursement' form, he needs to put 0% in the 'Income Tax Deduction %' column as this is the percentage of the

expense incurred in earning his assessable income.

The reimbursement should be posted to 650230 – Self Education Expense Reimbursements - FBT

Note: The above example is for illustrative purposes only and may not comply with the requirements outline in PPL 5.80.07 Study Assistance Scheme for Professional Staff.

4.3.2 Visa Costs and Visa Renewal Fees

See table below for summary of the most common visa types paid for / reimbursed by the University.

Table 4.3.2 – Common visa costs and FBT implications

Employee location at the time of application	Visa Type	Employee Visa <u>Nomination</u> fee	Employee Visa <u>Application</u> fees	Other Visa Costs ^
		Is it subject to FBT*?		
In Australia	Temporary (e.g. 402 & 457)	No	Yes	Yes
	Permanent (e.g. 186 & 187)	Yes	Yes	Yes
Outside Australia and related to international relocation	Temporary (e.g. 402 & 457)	No	No	No
	Permanent (e.g. 186 & 187)	No	No	No

*Not subject to FBT = use account 650140; subject to FBT = use account 650141

^Other visa costs include medical costs, consular costs, passport photographs, police checks, and other passport related costs.

The following visa related costs are **exempt from FBT** due to the “relocation transport exemption” applies (see section 10 for the exemption detail):

- Temporary visa *nomination* fees (initial application and visa renewal) e.g. 457 visa, 402 visa. Allocate expense to account 650140.
- Temporary and permanent visa *application* fees (initial application only), including other-visa-costs^ that are connected to an employee’s international relocation that meets the requirements outlined in section 10.2. In this case, the employee is outside Australia at the time of application. Allocate expense to account 650140.
- Visa nomination/ applications / other-visa-costs related to the interview process, mostly applicable where the candidate is from overseas (the similar rule of FBT relocation exemptions apply). Allocate expense to account 650110 Staff Appointment Costs.

The following fees and any other visa costs that are not specified above are **subject to FBT** (as an expense payment benefit) **and may be reportable** in the employee’s Payment Summary (see FBT PPL 9.65.02 for details):

- Temporary visa *application* fees (renewal) e.g. 457 visa when the employee is already in Australia at the time renewal was applied.
- Permanent visa *nomination* fees (initial and renewal) that is not related to an employee’s international relocation. In this case the employee is already in Australia at the time of application. Allocate expense to account 650141.
- Temporary and permanent visa *application* fees including other-visa-costs that are not connected to an employee’s international relocation. In this case the employee is already in Australia at the time of application. e.g. 457 visa, 186 visa. Allocate expense to account 650141.

Please note that FBT applies irrespective whether this is paid out as part of the ‘relocation allowance’ offered at the start of employment or paid through Corporate Credit Card.

Example 4.7 – Visa Costs

Lisa is a resident of the UK. The University offers her a position as a lecturer for 1 year. As part of the employment contract, Lisa is provided with \$6,000 for relocation expenses and an incidentals entitlement.

A) As part of the recruitment process, the University pays the Temporary 457 visa nomination fee (\$330) using the Corporate Credit Card to sponsor Lisa's visa 457 application. Lisa applies for a Temporary 457 visa (\$1,035) for her permit to work in Australia. She claims reimbursement for the application amount. Once Lisa receives a visa, she moves to Australia to commence employment at the University. Are these costs subject to FBT?

- No, the 457 visa nomination fees (\$330) are not subject to FBT. This amount should be allocated to account 650140.
- No, the reimbursement of Lisa's 457 visa application fee of \$1,035 is not subject to FBT. Lisa was outside of Australia when she applied for the visa and she is relocating internationally. This amount should be allocated to account 650140.
- In Lisa's 'Staff Domestic Expense Reimbursement Form', please select "N/A" in the 'Income Tax Deduction %' column of the form.
- Lisa's unused portion of relocation entitlement is \$4,650 (\$6,000 - \$1,035)

B) After 6 months living in Australia, Lisa asks the University to sponsor her Permanent Residency visa 186 (\$540) and to reimburse the 186 application fee (\$3,520), using the 'unused' portion of her relocation entitlement. The Finance Manager is doing the budget before agreeing to pay for these costs. What FBT implications need to be considered?

- The 186 visa nomination fee of \$540 would be subject to FBT. The FBT cost for the operational unit will be roughly \$481 (89%). This amount should be allocated to account 650141.
- The reimbursement of Lisa's 186 visa application fee of \$3,520 would also be subject to FBT, and the FBT cost would be roughly \$3,133 (89%). This amount should be allocated to 650141.
- The total FBT cost of \$3,614 (\$481 + \$3,133) should be taken off from Lisa's relocation entitlement in addition to the visa 186 application fee. This is as per PPL 5.50.03.
- In this situation, the unused portion of Lisa's relocation entitlement is not enough to cover both the 186 application fee of \$3,520 and the total FBT costs of \$3,614. Therefore, only a portion of the 186 application fee can be reimbursed. Alternatively, other relocation costs that are not subject to FBT should be claimed by Lisa to use up her relocation entitlement (see section 10.2).

C) Lisa changes her mind and does not apply for Permanent Residency. Instead, at the end of 1 year, she extends her contract with the University and continues lecturing. To continue working, Lisa is required to renew her Temporary 457 visa. The University agrees to sponsor Lisa's 457 visa renewal application and this is paid via Corporate Credit Card. The University also reimburses her 457 application fee. Is there any FBT implications?

- No, the 457 visa nomination fees (\$330) are not subject to FBT. This amount should be allocated to account 650140.
- Yes, on the 457 visa renewal application fee (\$1,035). Lisa applied for the visa when she was already in Australia. She is not relocating internationally. This amount should be allocated to account 650141. The additional FBT cost for the operational unit would be roughly \$921 (89%).

4.4 Taxable Value

4.4.1 External benefit

The taxable value of an expense payment fringe benefit is the amount reimbursed or paid by the University less any reduction under the 'otherwise deductible' rule.

This amount will be inclusive of GST as employees are not entitled to a refund of input tax credits on private expenditure.

4.4.2 In-house benefits

An in-house expense payment fringe benefit arises where the expenditure reimbursed or paid for was incurred by the employee in purchasing goods or services that the University sells to customers or clients in the ordinary course of its business. The more common examples at the University are payments for UQ Sport gym memberships and UQ Sport classes (through the UQ fitness program).

The taxable value of an in-house fringe benefit is 75% of the lowest arm's length price charged to the public at the time for identical benefits, less any amount paid by the employee.

The University can provide an employee with in-house fringe benefits that are not subject to FBT provided that the aggregate of the taxable values of the in-house fringe benefits do not exceed \$1,000 in an FBT year.

For this reason, the University has a policy that the combined amount of in-house benefits allowable for salary packaging does not exceed \$1,300 (as this would have a taxable value of \$975 – being \$1,300 x 75%) in any FBT year. More information can be found in the "In-House Benefit Arrangements – Guide To Employees" document which is available on the HR website.

The University can provide employees up to \$1,300 worth of in-house expense payment fringe benefits without incurring FBT. The \$1,300 is also excluded from the employee's reportable fringe benefit amount.

The exemption does not apply to in-house benefits provided to associates.

Example 4.8 – UQ Sport Memberships

Sue is an employee of the University. As part of a University wellness program, she takes up a gym membership at UQ Sport. The total cost is \$400. The University agrees to pay 50% with the remaining 50% paid by Sue directly to UQ Sport. Is this subject to FBT?

No. This is an in-house fringe benefit as UQ Sport gym memberships are provided to the general public. The taxable value would be \$100 (being \$400 x 75% less the \$200 reimbursement). This assumes that Sue abided by the University policy and therefore hasn't received in-house fringe benefits with a taxable value of \$1,000 or more during the year.

This expense should be posted to a non-FBT UniFi code (650150 Other Staff Expense / Cost – non-FBT related).

Example 4.9 – External Gym Memberships

Ian is an employee of the University. As part of his employment contract, the University agrees to pay his \$500 annual gym membership with Fitness First. Is this subject to FBT?

Yes. This is not an in-house fringe benefit because it is not a gym membership at UQ Sport.

This expense should be posted to a non-FBT UniFi code (700180 Memberships and Subscriptions – FBT related).

As noted in section 4.1 of this guide, the University should not be incurring any private expenses on behalf of an employee that result in an FBT expense except in very limited circumstances.

4.5 Administration

It is the responsibility of the person who incurs the expense payment fringe benefit to ensure that the transaction is posted to the correct account codes in UniFi and that any necessary supporting documentation is retained.

5 Hospitality (Tax Exempt Body Entertainment)

This guide will assist with the completion of the UQ Hospitality Calculator and the FBT implications of hospitality expenditure. This guide is to be read in conjunction with UQ's PPLs, including but not limited to PPL 9.45.06 Hospitality and PPL 9.45.05 Travel.

5.1 Introduction

The University is required to perform an FBT assessment on all hospitality expenses it incurs. The Hospitality Calculator is the formal documentation that must be completed for all hospitality expenditure to support the University's FBT assessment.

Hospitality is the provision of:

- food or drink (e.g. catering for a conference, tea and coffee, breakfast, a business lunch, dinner whilst on overnight business travel);
- if the food or drink meets the definition of entertainment, then the hospitality includes venue hire, accommodation, and travel in connection with, or to facilitate the provision of, such entertainment; and
- other expenses such as the provision of tickets to sporting events or recreation such as amusement, excursions, sport and similar leisure-time pursuits. This includes recreation and amusement in vehicles, vessels or aircraft.

The provision of hospitality often means that 'entertainment' as defined by the ATO (section 5.5) has been provided. However, it is important to consider the exceptions that have been outlined in this guide:

- Section 5.2 – Ordinary course of UQ business;
- Section 5.3 – Eligible seminars; and
- Section 5.4 – Overnight business travel;

5.1.1 Hospitality Calculator

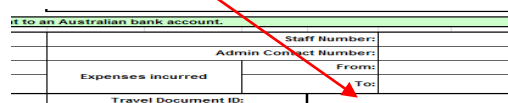
The Hospitality Calculator must be completed for all hospitality expenditure and must be kept together with the normal payment documentation (e.g. invoice, credit card reconciliation). The most recent version of the Hospitality Calculator must be used. This can be found on the FBS website in the Online Forms – Account Payable section. You must use the account code, UniFi Expense Category, and the GST ID code provided in the Hospitality Calculator when processing the expense in UniFi.

The Hospitality Calculator is not required in the following circumstances:

- 1) The hospitality expense is incurred on a UQ Travel Card that is not acquitted based on actual invoices (i.e. a lump-sum amount is withdrawn from the UQ Travel Card). This expense should be allocated to account 707140 or 707240 in UniFi;
- 2) The hospitality expense is incurred on a UQ Travel Card that is acquitted based on actual invoices or UQ Corporate Card, and all of the following criteria apply:
 - For domestic travel: the invoice is for one person only (being the traveller); and
 - For international travel: the invoice is for sustenance for travelling persons only (i.e. not a payment for hosting / catering an event overseas); and
 - the hospitality meets the definition of ‘overnight business travel’ (see section 5.4)
 - the UniFi Travel ID is written on the invoice; and
 - the UniFi Travel ID is written in the description section of the travel card or credit card reconciliation.

This expense should be allocated to account 707140 or 707240 in UniFi;

- 3) The hospitality expense is claimed via a staff reimbursement, it incurs in relation to the ‘overnight business travel’ (see section 5.4), the expense is for one person only (being the traveller) and the UniFi Travel ID is written in the Travel Document ID section in the ‘Staff Domestic Expense Reimbursement’ form. This expense should be allocated to account 707140 or 707240 in UniFi.



To an Australian bank account.		Staff Number:	
Expenses Incurred		Admin Contact Number:	
		From:	
		To:	
Travel Document ID:			

- 4) The hospitality expense is part of an all-inclusive registration fee for a UQ staff member’s attendance at an external (not organised by UQ) event such as seminar, training, conference, etc. This expense should be allocated to account 650210 in UniFi. See section 5.7 for examples. A Hospitality Calculator is required if the hospitality is charged as an optional extra in addition to the registration fee and the expense relates to :
 - recreation (see section 5.6); or
 - hospitality that does not meet the definition of overnight business travel (see section 5.4).
- 5) Tea, instant coffee, biscuits, and other related consumables (e.g. milk, sugar) reasonably purchased to stock the staff kitchen. This expense should be allocated to account 700110.
- 6) Food and drink reasonably purchased for use in a laboratory for research purposes. This expense should be allocated to account 700585.

- 7) Meals provided in conjunction with relocation when certain criteria are met. Please refer to Section 10.2 Temporary Accommodation – Meals.
- 8) The Hospitality Calculator is **optional** where total cost of food, drinks or other hospitality paid for is less than \$75. If a Hospitality Calculator is not provided the following should be written on the invoice:
 - Who attended;
 - The purpose of the hospitality (e.g. donor meeting, engagement meeting); and
 - An FBT conclusion

5.1.2 How to complete the Hospitality Calculator

Invoice Details

SECTION 1: INVOICE DETAILS

Person who requested hospitality

Vendor name

Invoice number

Invoice date

	Contains GST	GST Free	Total
Total food and drink charges (including GST where applicable)	-	-	-
Total other charges (e.g. deposits, room hire, linen, decorations)	-	-	-
Total invoice amount including GST			-
GST	-	-	-

Notes:

- There is one line for food and drink charges and one for other charges. The coding of the expense is not affected by this split (therefore it is not compulsory to split the charges). It is provided to help calculate the cost per head of the food and drink component for approval purposes (Line 76 of the Hospitality Calculator).

Classification of Hospitality and Determining FBT

What is the UQ category of hospitality?

Notes:

- The category of hospitality should correspond to the definitions provided in the Hospitality Procedure 9.45.06 as per below:

Corporate Hospitality is expenditure incurred to entertain students, corporate customers, key stakeholders and interest groups where no fee is charged to participants.

For hospitality provided in the ordinary course of UQ’s business (such as conferences, conventions, lectures and seminars) where a fee is charged to participants, select fee for service hospitality

Fee for Service Hospitality is expenditure incurred where hospitality is provided during the following events that are organised by the University and where revenue is generated (e.g. a fee is charged to participants, sponsored by a third party):

For hospitality provided at events that are attended predominantly* by University employees and associates (even if a fee is charged) select employee hospitality.

* By predominately we mean the nature event is intended to be for employees e.g. staff training with one external facilitator would be employee hospitality, a lecture which is open to the public which happens to be attended by mostly employee's is still considered corporate hospitality.

Overnight Business Travel Hospitality is expenditure where employees are required to travel away from their normal place of residence and stay overnight to conduct University business.

If employees entertain donors, sponsors, collaborators, students, granting bodies, or other customers while on overnight business travel and this is paid for by the University, please select Corporate Hospitality - whilst on overnight business travel.

Employee Hospitality is expenditure incurred to provide hospitality at events that are predominately* attended by University employees for the purpose of employee sustenance, entertainment, celebration, enjoyment or award.

* By predominately we mean the nature event is intended to be for employees e.g. staff training with one external facilitator would be employee hospitality, a lecture which is open to the public which happens to be attended by mostly employee's is still considered corporate hospitality.

What hospitality was provided?
Where was the hospitality was provided?
When was the hospitality provided?
Was alcohol provided?

Notes:

- As a general rule, what hospitality was provided moves from light to elaborate if cutlery is needed. For more information refer to Section 5.5.2.
- Customs House is considered 'on-campus at restaurant' since it is UQ operated.
- Meals consumed whilst working, travelling or working overtime are considered 'during work hours'. For example, if an employee works back late to meet a deadline and is provided with dinner, this would be considered during work time. If an employee stays back to attend a social function, this is not considered during work time.

Was the event in the ordinary course of UQ business?
Was the event open to the public?

Notes:

- **Not everything is in the ordinary course of UQ business!** Refer to Section 5.2.1 to determine whether your event meets the criteria for the tax exemption.
- 'Open to the public' means anyone can attend and the event was advertised to the public. Events by invitation only are not open to the public. Refer to Section 5.2.3.

Was the hospitality provided reasonably incidental to an eligible seminar?
Was the hospitality provided at an exempt training seminar?

Notes:

- Please refer to section 5.3 Eligible Seminars.

5.1.3 Minor benefits exemption does not apply

The minor benefits exemption (refer to section 10.1) does not apply to hospitality expenses incurred by the University because the University is an income tax exempt entity.

5.1.4 Employee reimbursements cannot offset FBT

Employee reimbursements of hospitality expenses cannot be used to reduce the University's FBT liability and should never be allocated / offset against hospitality expense accounts in UniFi.

5.1.5 Tips associated with meals and entertainment

Employees should avoid paying tips in most circumstances; it is not approved expenditure in the University as a public sector entity. The University's policy prohibits payment of tips except in certain circumstances as outlined in PPL 9.45.06 Hospitality. Where tips are incurred, they should be included as part of the cost of the hospitality.

5.2 *Hospitality incurred in the ordinary course of UQ business*

The provision of hospitality by way of food and drink (including substantial meals and alcohol) will not be 'entertainment' and will not be subject to FBT when provided at an event that is hosted by the University, in the 'ordinary course of UQ business', and either:

- the University is charging a fee to the recipient of the hospitality; and/or
- the event is open to all members of the public.

For examples, see section 5.7.1.

5.2.1 Events in the 'Ordinary course of UQ business' for FBT purposes

The ATO's interpretation of the events that meet the term 'ordinary course of business' is specific and may not necessarily follow the general understanding or interpretation of the term.

For the purpose of FBT and hospitality, the following University hosted events are considered to be held in the 'ordinary course of UQ business':

- Graduation ceremonies;
- Fundraising activities;
- Public lectures/Q&A sessions/lectures/seminars/conferences/symposium on a topic that is relevant to UQ's activities or that is educational in nature;
- Gallery openings and gallery exhibitions events hosted by UQ Museums ;
- Student academic awards; and
- Student development field trips that are a compulsory part of the curriculum.

The following events are *not* considered to be held in the 'ordinary course of UQ business':

- Business lunches / client entertainment / business meetings;
- Staff awards and recognition events;
- Christmas parties, staff celebrations, staff farewells;
- Alumni events (e.g. 80 Years of UQ Gala Dinner);
- Student development/ field trips which are not a compulsory part of the curriculum;

- Events to promote or advertise to the public UQ services (e.g. careers expo, UQ Open Day, UQ Faculty Open Day).

If you are unsure if your event is in the 'ordinary course of business', please provide details to fbs-tax@uq.edu.au. We will assist in determining whether section 5.2 is applicable.

5.2.2 Fee is charged

Where a fee is charged the following general principles apply:

- As per the hospitality procedure 9.45.06, it is expected that the fee (whether sponsorship, grant funding or ticket sales) covers at least 50% of the event costs
- There can be a combination of ticket sales, grant funding and external sponsorship
- Token fees (e.g. \$1 for a Gala Dinner) are not acceptable

5.2.3 Open to the public

For an event to be open to the public the following general principles apply:

- To meet the criteria, the event needs to be open for anyone to attend, events by invitation only (E.g. donor dinner, an alumni event) are not considered open to the public.
- It is not sufficient to say that anyone can attend, the event needs to be advertised to the public (E.g. on the website, a flyer distributed etc.)
- There needs to be available documentation (E.g. advertisement / flyer / print out of website) to demonstrate that the event was open to anyone and was advertised to the public

5.3 Eligible Seminars

The provision of hospitality by way of food and drink (including substantial meals and some non-excessive alcohol) will not be 'entertainment' and will not be subject to FBT if it is 'reasonably incidental' to attendance at an 'eligible seminar'. The provision of 'recreation' at eligible seminars is 'entertainment' (see section 5.6).

For examples, see section 5.7.2.

Food and drink is '**reasonably incidental**' to an 'eligible seminar' if all of the following applies:

- it is provided for sustenance because of the duration, time, or location of the seminar;
- it is provided immediately before, during or following working sessions of the seminar;
- it is available to all seminar participants; and
- it does not include an excessive amount of alcohol (i.e. more than 3 drinks).

To qualify as an '**eligible seminar**', the event must:

- be a conference, convention, lecture, training session, speech, Q&A session, educational course or 'exempt training seminar' (see definition below);
- have a continuous duration of 4 hours (excluding breaks);
- not be a business meeting, where its main purpose is for employees to give / receive / discuss matters relating to the normal course of business; and
- not have the followings as its sole or dominant purpose:
 - the promotion or advertisement of the business or prospective business; or
 - the provision of entertainment.

To qualify as an **'exempt training seminar'**, the event must:

- be a conference, convention, lecture, training session, speech, Q&A session, educational course
- have a continuous duration of 4 hours (excluding breaks);
- not have the followings as its sole or dominant purpose:
 - the promotion or advertisement of the business or prospective business; or
 - the provision of entertainment.
- be organised by UQ or on behalf of UQ solely for either or both of these purposes:
 - training UQ staff in matters relevant to UQ's business;
 - enabling UQ staff to discuss policy issues relevant to the internal management of UQ's business; and
- be held on the premises of a person / entity whose business includes organising seminars or making premises available for conducting seminars.

Sufficient and appropriate documentation is required to be attached to the Hospitality Calculator to support the fact that the event qualifies as an 'eligible seminar' (e.g. a conference program, training advertisement, or event agenda).

For events that do not qualify as an 'eligible seminar', consider the exceptions outlined in section 5.2 or 5.4. If neither of these exceptions is relevant, apply the 'entertainment tests' in section 5.5.

5.4 Overnight Business Travel

The provision of hospitality by way of food and drink (including substantial meals and non-excessive alcohol) will not be 'entertainment' and will not be subject to FBT if it is incurred for sustenance during overnight business travel. The provision of 'recreation' during business travel is 'entertainment' (see section 5.6).

For examples, see section 5.7.3.

To qualify as **'overnight business travel'**, the hospitality must:

- be required because the employee has to travel away overnight from their normal place of residence to conduct University business;
- not have an event, performance or other entertainment activity provided with the meal (e.g. dinner with a floor show);
- not include an excessive amount of alcohol (i.e. more than 3 drinks).

Note that if excessive alcohol is provided to employees while they are on overnight business travel, the total cost (including any meals provided with the alcohol) is considered to be 'entertainment'. You must choose meals/drinks – with entertainment or disagree with the FBT assessment in the Hospitality Calculator.

If an employee is required to travel away but not overnight (e.g. a day trip from Brisbane to the Gold Coast for a seminar), the normal 'entertainment' tests apply (see section 5.5). Do not select 'overnight business travel' as the category in the Hospitality Calculator.

For hospitality that does not qualify as 'overnight business travel', consider the exceptions in sections 5.2 and 5.3. If this exception is not relevant, apply the 'entertainment tests' in section 5.5.

5.5 Entertainment

When the University incurs costs related to hospitality that does not meet the definition of exceptions outlined in sections 5.2 to 5.4, the 'entertainment' tests apply.

See section 5.7 for various examples on 'entertainment'.

Entertainment and FBT

When the University provides 'hospitality' to employees and their associates (see section 2.2) that meets the 'entertainment' tests, the expense will be subject to FBT.

'Entertainment' provided to other persons (e.g. students, clients, guest speakers) will not be subject to FBT. However, GST cannot be claimed back on 'entertainment' provided to other persons (and the GST ID "AOPU" should be used when processing the transaction in UniFi).

Entertainment Tests

To determine whether the provision of hospitality is '**entertainment**', an objective analysis of the following 'entertainment tests' is required in regards to the circumstances surrounding the provision of the food and drink.

5.5.1 WHY is the food and drink being provided?

This is a 'purpose test'. Food or drink provided for the purpose of refreshment or sustenance does not generally have the character of 'entertainment'.

Food or drink provided in a social context where the recipients are more likely to enjoy themselves or as part of being hospitable to others has the character of 'entertainment'.

Food and drink provided at a business meeting outside of a meeting room is assumed to have a social context. It is considered to have the character of 'entertainment' regardless of whether business is discussed.

The provision of alcohol also indicates that the event has a social context and has the character of 'entertainment'.

5.5.2 WHAT type of food and drink is being provided?

Generally, providing the following on 'UQ's business premises' (see 5.5.4) is not considered to have the character of 'entertainment':

- Sustenance or refreshments to enable recipients to complete the working day in comfort;
- Morning and afternoon teas including light refreshments, tea, coffee, juices, cakes, and biscuits excluding alcohol;
- Light meals including sandwiches, pizza, canapés, other hand foods, salads, juices that are intended to be, and can be, consumed on your premises or worksite, excluding alcohol.

As light meals become more elaborate or substantial, they take on the characteristics of 'entertainment'. As a general rule, when cutlery (knife, spoon, fork, chopsticks) is needed to

consume a meal, it is likely to be elaborate. Normal business practice and a sound professional judgement are to be exercised when assessing elaborateness of meal.

If any alcohol is provided, except in the situations outlined in section 5.2-5.4 above, the total cost (including any meals provided with the alcohol) is considered to have the character of 'entertainment'.

5.5.3 WHEN is the food and drink being provided?

Food or drink provided during work time, overtime or while an employee is travelling for business purposes is less likely to have the character of 'entertainment'.

However, food and drink provided outside of work hours, other than in the above mentioned situations, is more likely to have the character of 'entertainment'.

5.5.4 WHERE is the food or drink being provided?

Food or drink provided on 'UQ business premises' such as office buildings, meeting rooms, training rooms, lecture theatres or conference rooms is less likely to have the character of 'entertainment'.

For the purpose of FBT, 'UQ business premises' include a café or restaurant on campus (e.g. Genies, Café Nano, St Lucy, Catalyst Cafe, 3 Limes Café, the Walkway Café).

If the food or drink is provided off UQ business premises, it is more likely to have the character of 'entertainment'.

5.5.5 The Entertainment Tests Table

The Entertainment Tests Table below summarises the FBT outcome based on the 'entertainment tests'.

THE ENTERTAINMENT TESTS TABLE										
Test criteria:	Does it have the character of 'entertainment'?									
Why	X	✓	X	X	X	X	✓	✓	✓	✓
What	X	✓	✓	✓	✓	✓	X	X	X	X
When	**	**	X	X	✓	✓	X	X	✓	✓
Where	**	**	X	✓	X	✓	X	✓	X	✓
Entertainment?	X	✓	✓	✓	✓	✓	X	✓	✓	✓
FBT?	X	✓	✓	✓	✓	✓	X	✓	✓	✓

X = No / is less likely to have the character of 'entertainment'

✓ = Yes / is more likely to have the character of 'entertainment'

** 'Where' and 'when' would be irrelevant in this instance as the 'why' and 'what' are generally considered to be more important than the 'where' and 'when'.

5.6 Recreation

Most of the time, recreation as part of a conference is considered 'entertainment' for FBT purposes (e.g. floor show, city tour, jet skiing, trip to the zoo for sightseeing).

When UQ is hosting the event / conference and providing recreation, a Hospitality Calculator is required to be completed for the recreation costs and it is considered 'entertainment'.

When UQ staff attend an event / conference that is externally organised and recreation is part of an all-inclusive registration fee, no Hospitality Calculator is required (see section 5.2).

When UQ staff attend an event / conference that is externally organised and recreation is charged as an optional extra in addition to the registration fee, the Hospitality Calculator must be completed and it is considered 'entertainment' (unless the recreation is educational in nature and related to conference topic).

5.7 Taxable Value

The taxable value of the hospitality is the amount of the actual expenditure the University incurs for the benefit of the employee. In calculating the taxable value of a tax-exempt body entertainment fringe benefit there is no reduction for contributions that may be made by an employee.

The taxable value of the recreation component of tax-exempt body entertainment is generally equal to the cost of the activity, for example, the entry fee for a golf day and the bus hire for the attendees to go to a golf day.

5.8 Administration

It is the responsibility of the person who incurs the hospitality and tax exempt body entertainment fringe benefit to ensure it is posted to the correct account code in UniFi and the UQ Hospitality Calculator has been completed correctly.

6 Travel (Expense Payment Fringe Benefit)

Travel that has both a business and private purpose may incur a FBT liability. It is the traveller's responsibility to ensure their travel does not result in an FBT liability to UQ.

Please refer to UQ's Dual Purpose Travel Guide (www.fbs.uq.edu.au/docs/tax/dpt_guide.pdf) for further details on dual purpose travel and examples that will assist travellers.

7 Housing Fringe Benefits

7.1 Fringe Benefit

A housing fringe benefit arises where an employee is provided with the right to use a unit of accommodation and the lease or licence which grants that right exists at a time when that unit of accommodation is the usual place of residence of the employee.

A unit of accommodation includes:

- a house, flat or home unit
- accommodation in a house, flat or home unit
- accommodation in a hotel, motel, guesthouse, bunkhouse or other living quarters

- a caravan or mobile home, or
- accommodation in a ship or other floating structure.

The employee does not have to have exclusive use of the unit of accommodation – the use of shared accommodation as a usual place of residence is a housing fringe benefit.

If the unit of accommodation is not the employee's usual place of residence, the right to use the unit is not a housing fringe benefit. However, it may give rise to a residual fringe benefit.

7.2 Taxable Value

The taxable value of a housing fringe benefit is measured by reference to the market value of the right to occupy the unit of accommodation. The right to occupy the unit of accommodation is valued according to what it would command for rent in an open market situation, without taking into account any special employment conditions or associated expenses of the occupant that might be paid by another person.

7.2.1 Housing value provided inside Australia – Non-remote

The taxable value of accommodation is the market rental value of the accommodation, reduced by any rent or other consideration paid by the employee. A real estate agent can assist in obtaining this valuation.

As an alternative to establishing the market rental value every year, the University may base the taxable value for the second and subsequent years on the first year's market rental value. This requires calculating an annual rental value for the first year and thereafter applying an inflation factor. The inflation factor can be obtained from the rent sub-group of the national consumer price index, and is published each year by the Tax Office. The University can use this alternative method for a maximum of nine consecutive years.

There is a separate method of valuation where the benefit is provided to a person carrying on the business of providing accommodation to the public however this does not apply to any of the University's activities.

7.2.2 Housing value provided inside Australia – Remote

A remote area housing benefit is considered an exempt benefit.

A housing benefit qualifies as a remote area housing benefit if each of the following conditions are satisfied:

- for the whole of the tenancy period, the unit of accommodation is in a remote area (that is, it is not located in or adjacent to an eligible urban area), and
- for the whole of the tenancy period, the accommodation is occupied by a person who is a current employee, and the usual place of employment of the employee is in the remote area.

As well as the above conditions, it must also be necessary for the University to provide accommodation for employees or to arrange to provide such accommodation because:

- the nature of the University's business is such that employees are liable to move frequently from one residential location to another

- there is insufficient suitable residential accommodation otherwise available at or near the place or places where the employees are employed, or
- it is customary for employers in that industry to provide free or subsidised accommodation for employees.

Listings of remote and non-remote towns can be found on the ATO website.

7.2.3 Housing value provided outside Australia

The taxable value is the market rental value of the right to use the accommodation, reduced by any rent or other consideration paid by the employee.

7.3 Exceptions

7.3.1 Temporary accommodation

A concession is available which reduces the taxable value of fringe benefits arising from providing temporary accommodation (including household goods) to an employee who changes their usual place of residence during employment, or to start employment.

If the temporary accommodation is at the employee's former location, the concession applies to the temporary accommodation for a maximum 21-day period ending on the day the employee starts work at the new location. The temporary accommodation must be necessary because the former home is unavailable or unsuitable for occupancy because of the relocation (for example, furniture removal).

If the temporary accommodation is at the employee's new location, the concession is ordinarily limited to a maximum occupancy period of four months. However, it may apply for a maximum of 12 months depending on certain circumstances. The employee must start to make sustained and reasonable efforts to buy or lease suitable long-term accommodation as soon as reasonably practicable after starting work at the new location.

7.4 Administration

The calculation of the housing fringe benefits and the resulting FBT liability is the responsibility of FBS.

8 Living Away From Home Allowance Fringe Benefit

8.1 Fringe Benefit

A living away from home allowance is an allowance paid to an employee to compensate him or her for additional expenses incurred and any disadvantages suffered because the employee is required to live away from their usual place of residence in order to perform their employment related duties.

The payment of a living away from home allowance (LAFHA) is a living away from home allowance fringe benefit.

8.2 Taxable Value

The taxable value is the amount of allowance paid less:

- the exempt accommodation component, and
- the exempt food component.

The exempt accommodation component of a LAFHA is so much of the allowance that is in the nature of compensation for additional expenses on accommodation, that the employee could reasonably be expected to incur at the alternate location.

The exempt food component of a LAFHA is the amount of the allowance paid to compensate the employee for additional food costs because the employee is required to live away from their usual place of residence.

The value of the exempt food component is the amount of the food component of the LAFHA less the statutory food amount. It is assumed that expenditure on food at the employee's usual residence is ordinarily \$42 a week for each adult and \$21 a week for each child.

To reduce the LAFHA by the exempt accommodation component and/or the exempt food component, a "Living Away From Home Declaration" form must be completed and submitted to FBS for the period of the allowance. This form can be found on the FBS website in the Online Forms section.

8.3 Exceptions

8.3.1 Travelling allowance

It is important to determine whether an allowance paid is a LAFHA or a travelling allowance, because they have different taxation treatments. LAFHAs are a fringe benefit, whereas travelling allowances are part of the employee's assessable income and are not fringe benefits.

8.3.2 Expense payments

Rather than paying a cash living away from home allowance to an employee who is required to live away from their usual home, the University may reimburse the employee for the accommodation expenses or pay these expenses on behalf of the employee (that is, as with an expense payment fringe benefit).

In these circumstances, if you obtain the appropriate declaration from the employee, the payment is an exempt benefit.

For the 'otherwise deductible rule' to be applied to an expense payment fringe benefit, an "Expense Payment Benefit Declaration" form must be completed by the employee and submitted to Accounts Payable with the normal payment documentation. This form can be found on the FBS website in the Online Forms section.

8.3.3 Residual benefits

Where an employee is required to live away from home in order to perform employment-related duties and is provided with the use of a unit of accommodation, such use is an exempt benefit.

To reduce the LAFHA by the exempt accommodation component and/or the exempt food component, a "Living Away From Home Declaration" form must be completed and submitted to FBS for the period of the allowance. This form can be found on the FBS website in the Online Forms section.

8.4 Administration

It is possible that the provision of a LAFHA to an employee will be of financial benefit to the University. This needs to be determined on a case-by-case basis. They are generally provided only to senior staff. If a LAFHA is to be provided to an employee, consultation should be sought from HR prior to entering into the arrangement.

The calculation of the living away from home allowance fringe benefits and the resulting FBT liability is the responsibility of FBS.

9 Residual Fringe Benefits

9.1 Fringe Benefit

The term fringe benefit has a very broad meaning. It includes any right, privilege, service or facility provided in respect of employment.

Any fringe benefit which does not fall into one of the specific categories may be a residual fringe benefit.

A residual fringe benefit could include the University providing services such as travel or professional or manual work, or the use of property. It could also include providing insurance cover, for example, health insurance cover taken out for employees under a group policy.

9.2 Taxable Value

For valuation purposes, there are two types of residual fringe benefits:

- in-house residual fringe benefits, and
- external residual fringe benefits.

9.2.1 In-house residual fringe benefits

The taxable value of an in-house residual fringe benefit is 75% of the lowest arm's length price charged to the public at the time for identical benefits, less any amount paid by the employee.

Identical benefits are the same in all respects except for any differences that are minimal or insignificant, or that relate to the value of the benefits.

Where no identical benefits are provided to the public, the taxable value is 75% of the amount the employee could be expected to pay to acquire the benefit under an arm's length transaction, less any amount paid by the employee.

More information on in-house fringe benefits is contained in section 4.3.2 in this guide.

9.2.2 External residual fringe benefits

Where the University purchased the service, right, privilege, etc. under an arm's length transaction, the taxable value is the cost price to the University, less any employee contribution.

If the above rule does not apply, the taxable value is the amount the employee could reasonably be expected to pay to obtain the benefit under an arm's length transaction, reduced by any amount paid by the employee.

9.2.3 Otherwise deductible rule

The taxable value of an expense payment fringe benefit may be reduced in accordance with the 'otherwise deductible' rule. This means that the taxable value may be reduced by the amount the employee would have been entitled to claim as an income tax deduction if the University had not reimbursed them.

Further information is contained in section 4.2 on the otherwise deductible rule.

The 'otherwise deductible' rule does not apply to any benefit provided to Associates.

9.3 Administration

The calculation of residual fringe benefits and the resulting FBT liability is the responsibility of FBS.

10 Exempt Fringe Benefits

In addition to exemptions, concessions, and the otherwise deductible rule mentioned in previous sections, other benefits which are relevant to the University and exempt from FBT when certain conditions are satisfied are outlined below.

10.1 Minor benefits

A minor benefit is exempt from FBT* if all of the following conditions are satisfied:

- the value provided / paid / reimbursed by the University in the current FBT year is less than \$300 (the minor benefit threshold test)
- the benefit is provided infrequently and irregularly
- the taxable value of the minor benefit and other similar or identical benefits (if they were treated as fringe benefits) is low
- the likely total taxable value of the minor benefit and other associated benefits is low (associated benefits are those provided in conjunction with the minor benefit, for example, electricity and telephone benefits provided as part of an accommodation package)
- it is difficult to calculate the taxable value of the benefit and any associated benefits

- the benefit is provided as a result of a contingency (for example, unexpected overtime)

*The minor benefits exemption does not apply to hospitality see section 5.1.2 and any in-house fringe benefit.

10.2 Relocation expense

The University's policies on relocation expenses can be found in PPL 5.50.03 Reimbursement of Establishment Expenses for New Appointees. For any relocation expenses that are paid / reimbursed by the University and subject to FBT, the FBT expense should be taken into account when determining the used portion of the employee's relocation allowance.

10.2.1 Relocation conditions to be exempt from FBT

Many benefits paid or reimbursed to employees and associates of employees are exempt from FBT. The kinds of benefits which are / are not subject to FBT are outlined in the table below.

If the benefit is not subject to FBT, the following conditions must also be met before the FBT exemption can apply:

- The benefits are provided under an arm's length arrangement;
- Documentary evidence (receipts / invoices) evidencing the amount and nature of each cost are given to / kept by the University;
- A letter of employment stating the employee's starting date and the accompanied cover letter stating the former address of employee's must be submitted and filed with the Staff Reimbursement form or available upon request during audit / review;
- The expenses must be incurred solely because the employee is required to live away from, or to change their usual place of residence in order to perform employment duties; and
- The change of location must be required in order for the employee to effectively perform their employment duties. To be deemed necessary, the role that the individual has been offered at the University must be based in a location that is generally, a minimum of 100 kilometres from the individual's usual place of residence.

The following table outlines the common relocation benefits that are exempt from FBT or where the University can reduce taxable value of the FBT (amount we need to pay tax on) and the additional conditions that apply:

Benefit	FBT Exempt?	Details and additional conditions	Additional Record Keeping
Relocation transport	YES [account 650140]	<p>The exemption applies to:</p> <ul style="list-style-type: none"> - airfares for relocation (applies to flights at the beginning and at the end of the appointment i.e. to return permanently to their original location) - accident insurance, airport departure taxes and similar charges, - taxi / transport costs incurred from the time of leaving the employee's original place of residence to arriving at the new place of residence, accommodation and meals consumed en route / in transit (excludes holidays taken en route). <p>The exemption <u>does not</u> apply to:</p> <ul style="list-style-type: none"> - Car hire and public transport costs provided after the employee arrives "at or near" the place where employment duties are to be performed. These costs are subject to FBT (allocate to account 650141) e.g. car hired for travelling around Brisbane / Ipswich / Gatton after arrival. <p>Additional conditions/information for exemption:</p> <ul style="list-style-type: none"> - Where an employee relocates by driving their own car, the cost of 	A 'Car Relocation Transport Declaration' is required where the employee is reimbursed for costs incurred in driving their own car. The declaration must be in the approved form setting out details of the employee's car

This FBT Guide should be read in conjunction with the FBT PPL 9.65.02

		<p>transport will be reimbursed on a cents per kilometre basis. This should be in accordance with current prescribed rates from the ATO.</p> <ul style="list-style-type: none"> - Where an employee relocates by driving a leased car, the cost of transport will be reimbursed on a cents per kilometre basis. This should be in accordance with current prescribed rates from the ATO. 	<p>and the number of kilometres travelled by the employee. Contact FBS Tax for a copy of the declaration.</p>
Removal and storage of household effects	<p>Yes [account 650140]</p>	<p>The exemptions apply to: freight, removal, storage (in the new or old location), packing, unpacking, port handling fees, quarantine fees and insurance of household effects (including pets) kept primarily for the personal use of the employee or family.</p> <p>Additional conditions for exemptions:</p> <ul style="list-style-type: none"> - The removal and / or storage must occur within 12 months of the employee commencing duties at UQ. - It applies to both domestic employees and overseas employees who move on a temporary or permanent basis. 	
Visa and Medical Costs – employee is outside Australia at the time of application (as part of Relocation Transport)	<p>Yes [account 650140]</p>	<p>The exemptions apply to: visa costs such as visa nomination fee, visa application fee, medical costs, consular fees and passport photographs / police checks/ passport costs.</p> <p>Additional conditions for exemptions:</p> <ul style="list-style-type: none"> - These costs must be incurred in connection with the initial <u>international</u> relocation for the employee and their family members. This means the costs were incurred in relation to the first visa that is used by the relocating employee and family members to enter to Australia; it was applied when the person is a non-resident in order for them to commence employment duties with the University. <p>For more information and example refer to section 4.3.2</p>	
Visa and Medical Costs – employee is in Australia at the time of application	<p>Refer to section 4.3.2</p>	<p>For more information and example refer to section 4.3.2</p>	<p>N/a</p>
Temporary accommodation & temporary lease of household goods	<p>Yes [account 650140] (maximum periods apply)</p>	<p>The exemptions apply to: the lease cost of staying at temporary accommodation, the cost of <u>hiring/leasing</u>[^] white goods, appliances, or furniture of a household nature [excluding any purchase costs]. The University can provide a lease or licence of household goods with or without providing a temporary accommodation benefit.</p> <p>Additional conditions for exemptions:</p> <ul style="list-style-type: none"> - The temporary accommodation must be located at or near the employee’s new place of employment (in most cases this will be near or within a reasonable distance to any of UQ campuses); - The employee must start to make sustained and reasonable efforts to buy or lease suitable long-term accommodation as soon as reasonably practicable after starting work at the University / new location; - The occupancy period is generally limited to 7 days (6 nights) before the employment start date at the new location and ends when the employee could reasonably be expected to occupy long term accommodation to a maximum occupancy period of four months^{^^}. <ul style="list-style-type: none"> o In either case, the concession will end before the four months elapses if the employee stops making reasonable and sustained efforts to buy or lease suitable long-term accommodation. <p>[^] Excluding finance lease / hire purchase in nature where the employee is entitled to keep the goods at the end of the hire duration. ^{^^}For temporary accommodation for more than 4 month period, the period may be extended in certain circumstances. However please contact FBS TAX for an FBT assessment.</p>	<p>The ‘Temporary Accommodation Relocation Declaration’ available from FBS Online Forms, Accounts Payable section must be completed and submitted with the reimbursement form / attached with the Corporate Card payment.</p>

<p>Temporary accommodation meals</p>	<p>Yes* [account 650140]</p>	<p>The cost of meals provided while staying in temporary accommodation (hotel, motel, hostel or guesthouse) required as a consequence of a change of employment location is subject to concessional FBT treatment.</p> <p>Additional conditions for the exemption:</p> <ul style="list-style-type: none"> - Meals must be consumed during the same period that the ‘temporary accommodation’ benefit is provided. <p>If the meals claimed are not consumed during the same period that the ‘temporary accommodation’ is provided, the normal FBT rules on hospitality apply and Hospitality Calculator is required – see section 5 TEBE.</p> <p><small>*For FBS Tax only: It’s actually not exempt, however a reduced TV applies. The TV of the meals is reduced to a maximum of \$2/meal or \$1 if the family member is under 12. Due to immaterial amount, and administrative complexity, no TV calculation is going to be performed.</small></p>	<p>No separate FBT declaration required other than the ‘Temporary Accommodation Relocation Declaration’ that should be provided as per above.</p> <p>No Hospitality Calculator required – provided the additional conditions are met.</p>
<p>Reconnection of utilities on relocation</p>	<p>Yes (if within 12 months) [account 650140]</p>	<p>The exemptions apply to: the costs of reconnecting telephone, internet, gas and electricity to accommodation occupied by an employee as a consequence of being relocated.</p> <p>Additional conditions for exemptions:</p> <ul style="list-style-type: none"> - The utilities must be connected within 12 months of starting work at the new employment location to be exempt from FBT. 	
<p>Engagement of relocation consultant</p>	<p>Yes [account 650140]</p>	<p>The exemptions apply to: the costs associated with the engagement of the relocation consultant, a person who helps an employee or associate to move and settle into a new location. The common services a relocation consultant can provide to help an employee or their family member relocation include:</p> <ul style="list-style-type: none"> • Obtaining removalist quotes • Finding temporary / permanent accommodation • Lease negotiation • Providing information about transportation to the new location and education and community services at the new location <p>The followings are <u>not</u> exempt from FBT (allocate to account 650141):</p> <ul style="list-style-type: none"> • Any expenses a relocation consultant pays on behalf of an employee or their family member e.g. if the consultant pays for furniture rental / electricity bill on the employee’s behalf. • Relocation advice provided incidental to the provision of another good / service e.g. by real estate agents. 	<p>Documentary evidence to prove the reason for engagement of relocation consultant (e.g. as outlined in the invoice, or as per email, or contract, etc.)</p>

<p>Home sale or home acquisition incidental costs</p>	<p>Yes [account 650140]</p>	<p>Please contact FBS Tax for FBT assessment prior to reimbursement / payment of this benefit to the employee due to the complexity of the conditions attached (below is the summarised version of the conditions only).</p> <p>The exemptions apply to: stamp duty, advertising, legal fees, agent’s commission, discharge of a mortgage, expenses of borrowing, or any similar capital expenses. This exemption applies to both domestic employees and overseas employees who move locality on a permanent basis.</p> <p>Additional pre-conditions for either the sale / purchase of a dwelling:</p> <ul style="list-style-type: none"> • The employee must <u>own</u>¹ a home (dwelling, property, unit, flat) at the former locality (“the original dwelling”); • The employee must <u>own</u>¹ the “original dwelling” when the University notified the employee of the change to the new locality²; • The sale / purchase is made solely because of the employee is required to change the usual place of residence in order to perform their employment duties. <p>Additional conditions apply to the sale of the “original dwelling”:</p> <ul style="list-style-type: none"> • The sale contract must be made within 2 years of commencing duties at the University / new locality; • The “original dwelling” was the employee’s usual place of residence <p>Additional conditions apply to the purchase of a new dwelling:</p> <ul style="list-style-type: none"> • The contract to purchase must be made within 4 years of commencing duties at the University / new locality; • The employee must acquire a dwelling or land upon which they propose to build a dwelling; • Immediately after the acquisition, the employee must occupy or propose to occupy it as their usual place of residence. 	<p>A document evidencing that the employee sale / purchase the dwelling together with the costs claim.</p> <p>¹ A documentary evidence showing the ownership of the “original dwelling” is required to be submitted with the claim.</p> <p>² In most cases, the evidence of this would be the address outlined in the Cover of Letter of Employment, if this is not the case, another documentation is required to support this.</p>
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10.2.2 Relocation and UniFi

Relocation benefits and costs that are exempt from FBT are to be allocated to account 650140 Relocation & Visa Costs – non-FBT. Any costs that are not exempt from FBT are to be allocated to account 650141 Relocation & Visa Costs – FBT.

10.3 Work-related items

Expense payment, property or residual benefits arising in respect of the following items are exempt benefits:

- a mobile phone or a car phone (see 10.2.1);
- an item of protective clothing that is required for the employment of the employee;
- a tool of trade;
- an item of computer software for use in the employee's employment;
- an electronic diary, a personal digital assistant (PDA) or similar item;
- a notebook computer, a laptop computer or a similar portable computer limited to the purchase or reimbursement of one computer per year per employee; and
- portable printers designed specifically for use with a notebook computer, a laptop computer or a similar portable computer.

10.3.1 Portable electronic communication devices (PECD)

Examples of portable electronic communication devices (PECD) are car phones, mobile phones, and 3G iPads or tablets that have a 'plan contract' attached to it.

The following costs are exempt from FBT provided certain conditions are met.

Acquisition costs of a PECD are exempt if:

- the primary purpose of providing the PECD is to enable the employee to do their job in accordance with the employee's job description, duty statement or employment contract at the time the PECD is provided.
- there is only one device with 'substantially identical functions' provided to the employee at one time. Substantially identical functions refers to the type of device, e.g. an employee could be provided with one mobile phone, one lap top and one iPad (but not two mobile phones).

Usage costs related to a PECD are exempt if:

- the anticipated use is "primarily for business purposes" at the time the plan contract is entered into. A PECD is "primarily for business purposes" when the intended business use is more than 50% of total usage. The employee is responsible for ensuring that the item continues to be primarily for business purposes.

This only applies to PECD usage costs that are paid through the Managed Billing and Reporting System (MBRS) or on a Corporate Card. **Where a mobile phone bill is paid via staff reimbursement it is the on-going actual use which determines whether the cost is subject to FBT.**
For more information please refer to 4.2.3.

Tax Note: Staff reimbursement is an expense payment fringe benefit, whilst expenses incurred on a corporate card are residual benefits. Exemption applies to residual fringe benefits.

The "Recurring Expense Payment Declaration – Portable Electronic Communication Device" form is required to be completed by the employee when the University is paying for PECD usage costs through MBRS. This declaration can cover up until the end of the PECD contract period specified in the declaration or whenever there is a change in the employee's primary purpose of use, whichever is earlier.

This Declaration is to be kept together with the “Mobile Phone Order Template” when signing up to a contract plan with the MBRS and is to be kept by each operational unit to support the fact that no FBT is payable on the usage costs.

When the above conditions and documentation requirements are met, the relevant PECD costs are to be coded to 706110 Phone/Facsimile charges non-FBT in UniFi.

Example 10.1 – Purchase and use of a mobile phone through MBRS

Lola, a UQ employee, requires a mobile phone to be able to perform her employment duties. As such, Lola was provided with a mobile phone by the University through the MBRS. The handset is provided for free in conjunction with a contract which requires minimum \$50 per month spend for 2 years. At the time of purchase, the mobile phone was intended to be primarily for business use. Lola filled out a recurring expense payment benefit form at the time showing that 80% of the use would be work related.

Are there any FBT implications?

No, the mobile phone has been provided primarily for business purposes at the time the contract was entered into.

After 18 months, Lola goes on maternity leave and requests that she is able to keep her phone for the remainder of the plan.

Are there any FBT implications?

Yes. Lola’s usage has changed such that 100% of the phone use will now be private. She is required to fill in a new recurring expense payment benefit form. The remainder of the payments on the contract are subject to FBT and should be coded to 706120 – Phone/Facsimile charges FBT.

Example 10.2 – Purchase and use of a mobile phone

Allen, a UQ employee, requires a mobile phone to be able to perform his employment duties. Allen is only on a short-term secondment and therefore the University agreed to pay the cost of his personal mobile phone via staff reimbursement. Allen’s handset was provided for free in conjunction with a contract which requires minimum \$50 per month spend for 2 years. In the month of January, 80% of his phone calls were work related and 20% were private.

Are there any FBT implications?

Yes. This is not an exempt benefit; it has not been provided through the MBRS and has been paid via staff reimbursement. Allen should fill out the “Recurring Expense Payment Declaration.” The private portion of the expense (\$10) is subject to FBT.

10.3.2 Memberships and subscriptions

Payments of the following items are exempt from FBT when expense is incurred in accordance to the University's policies as outlined in the PPLs:

- a subscription to a trade or professional journal (PPL 9.45.07 Special Payments)
- an entitlement to use a corporate credit card (PPL 9.40.02 Corporate Credit Cards)
- an entitlement to use an airport lounge membership (PPL 9.45.05 Travel)

10.3.3 Taxi Travel

Any benefit arising from taxi travel by an employee is an exempt benefit if the travel is a single trip beginning or ending at the employee's place of work.

Any benefit arising from taxi travel by an employee is an exempt benefit if the travel is incidental to travel in the course of performing employment related duties.

Any benefit arising from taxi travel by an employee is also an exempt benefit if the travel:

- is as a result of sickness of, or injury to, the employee, and
- is the whole or a part of the journey directly between any of the following:
 - the employee's place of work
 - the employee's place of residence, or
 - any other place that it is necessary, or appropriate, for the employee to go as a result of the sickness or injury.

Example 10.1 – Taxi Travel Paid For By UQ

Jodie, a UQ employee, has been asked by the Engineering Professionals Association to fly to their office in Sydney and give a presentation on the results of her research project. She takes a taxi from her home to the airport on the day of the presentation. At the end of the day she takes a taxi home from the airport.

Are there any FBT implications?

No. The benefit is incidental to Jodie's employment related duties.

10.4 Other miscellaneous expenses

Other miscellaneous exempt benefits when they are provided under an arm's length arrangement include:

- The costs of providing newspapers and periodicals to employees for business purposes. The exemption does not apply where the business use is merely incidental. (PPL 9.45.07 Special Payments)
- Benefits provided for work-related injury. To qualify for exemption, such benefits (for example, the payment of hospital or medical costs or associated ambulance, travel and accommodation costs) must be provided for 'compensable work-related trauma' suffered by an employee.
- Benefits constituted by the insurance cover provided under a workers' compensation insurance policy.
- Long service awards granted in recognition of 15 years or more service provided the value of the award does not exceed a specified maximum amount.

This FBT Guide should be read in conjunction with the FBT PPL 9.65.02

- An award genuinely related to occupational health or occupational safety achievements that is granted to an employee is exempt from tax if its value does not exceed \$200.
- Provision of transport (including expenditure on accident insurance, airport or departure tax, a passport, a visa, a vaccination or any similar matter if the employee incurred the expenditure to enable them to travel), meals or accommodation to an employee in connection with attending an employment interview or selection test in connection with employment, promotion, or job transfer.