

## Fringe Benefits Tax exempt benefits

A number of benefits are exempt from FBT. Although these are popularly called 'exempt fringe benefits', they are referred to in the FBT legislation as exempt benefits. The following is a non-exhaustive list of benefits that are exempt from FBT (subject to certain conditions):

- Travel costs in connection with attending job interviews and selection tests;
- Car park benefits – the provision of car parking benefits to the University's employees is specifically exempt from FBT as per section 58G(2)(3) of the FBTA 1986;
- Travel to obtain medical treatment;
- Travel for compassionate reasons;
- Taxi-travel:
  - taxi travel provided to employees is an exempt benefit if the travel is a single trip beginning or ending at the employee's place of work;
  - taxi travel provided to sick employees is also exempt irrespective of whether the employee is sent to a doctor, relative or their home;
  - in addition to licenced taxi travel, the exemption applies to travel provided to employees in vehicles involving the transport of passengers for a fare (other than in a limousine), such as ride-sourcing travel;
- Recreational facilities and child care facilities – these exemptions will only apply if the facilities are provided on the University's business premises for the benefit of employees;
- Use of University property – where plant or equipment located on University business premises is used wholly or principally in connection with the operation of the University business, any private use of that plant by an employee in this regard is an exempt benefit, for example, private telephone calls; business equipment that an employee borrows to use overnight or at weekends.
- Engagement of relocation consultant – if a relocation consultant is used to assist with the relocation of an employee, or their family members, FBT exemption may apply for the costs associated with the engagement of the relocation consultant.
- Removal and storage of household effects as a result of relocation;
- Sale or acquisition of dwelling as a result of relocation;
- Connection or re-connection of certain utilities as a result of relocation;
- Leasing of household goods while living away from home;
- Relocation transport;
- Visa costs as a result of relocation – the reimbursement or a payment of the costs associated with a visa that is required for the employee to relocate to Australia to take up a new position with the University can be exempted from FBT as incidental to the relocation transport costs. This includes the cost of a temporary work visa, permanent residency visa application including the costs of an immigration agent. However, this exemption does not apply when an employee is already working in Australia and is seeking the assistance of the University to stay permanently in Australia, any costs associated with the visa application including the costs of an immigration agent will be subject to FBT.
- Newspapers and periodicals used for University business purposes; the exemption doesn't apply where

the business use is merely incidental;

- Occupational health and counseling – work related medical tests (including pre-employment tests), work related medical screening, work related preventive health care (including certain vaccinations), work-related counseling (including services to former employees who were made redundant) and migrant language training;
- Emergency assistance;
- Long service awards – awards for long service of at least 15 years, provided the benefit is no more than \$1,000 and \$100 for each additional year. For example, the maximum value for a first award recognizing 20 years' of service is \$1,500. Where the value of the award exceeds the relevant maximum value, no part of the award is exempt;
- Safety awards – up to the value of \$200 (GST inclusive) per employee solely in recognition of the special achievements of the employee in occupational health and safety;
- Provision of certain work-related items such as mobile phone, computer software, protective clothing, briefcase, tools of trade, calculator, personal digital assistant, laptop, portable printer and portable global positioning system (GPS). The exemption is limited to:
  - items primarily for use in the employee's employment and
  - one item per FBT year for items that have a substantially identical function, unless the item is a replacement item. A replacement item would be a replacement item for the other item, if the other item was lost or destroyed, or needed replacing because of developments in technology.
- Membership fees and subscription. Expense payment or property benefits arising in respect of the following are exempt benefits:
  - a subscription to a trade or professional journal;
  - an entitlement to use a corporate credit card and
  - an entitlement to use an airport lounge membership
- Minor benefits – these are benefits of small value that are infrequently or irregularly provided and/are difficult to record or value. Examples include Christmas gifts of modest value and taxi fares for employees unexpectedly required to work late. In addition, the benefit must be regarded as being 'minor', and is treated as such if its value is **less than \$300 including GST**.
- Training or education provided to an employee or soon to be redundant employee for the purpose of assisting that employee to gain new employment.