

Otherwise deductible rule

The otherwise deductible rule reduces the gross taxable of certain fringe benefits by the amount the employee would have been entitled to claim an income tax deduction had they incurred the expense.

The otherwise deductible rule only applies to the following fringe benefits:-

- expense payment;
- loan;
- property and
- residual

If an employee incurred an expense solely in performing employment-related duties, (e.g. work-related telephone/internet expenses) the expenditure would be deductible to the employee for income tax purposes. Under the otherwise deductible rule, if the University reimburses the employee for all or part of these expenses then the taxable value of the expense payment fringe benefit would be nil provided the employee provides the University with a completed a “no private use declaration – expense payment benefit” declaration.

This declaration is not required where employees complete a Staff Reimbursement Form which has the necessary declaration incorporated into the form.

Fringe Benefits Declaration Forms

For FBT purposes, a declaration is a written statement given by an employee to an employer about the percentage of business use and the reduction allowed under the otherwise deductible rule in relation to the fringe benefits received.

- A no private use declaration is required to be completed where the benefits are provided for employment purposes and there was no private portion. Depending on the type of fringe benefit provided a no private use expense payment or a no private use residual declaration should be completed.
- A recurring declaration is required to be completed for identical benefits provided by the employer to the employee for a period up to five years from the date the declaration is made. For example, a recurring declaration could be used for home telephone or internet usage.
- A general declaration such as expense payment benefit, property benefit or residual benefit declaration is required to claim work related deductible expenses.
- Living Away from Home Declaration is required to be completed by employees living away from home and who are being provided with Living Away From Home allowance (Accommodation and exempt food component).
- Temporary accommodation relating to relocating declaration – this declaration is to be completed by employees who have been provided with temporary accommodation whilst making sustainable effort to acquire a long term place of residence.

The following are a list of FBT declarations for employees to use. All completed declarations must be forwarded to the Senior Taxation Accountant – Finance Services for inclusion in the FBT Return.

No private use declaration – expense payment benefits

I, _____
(Name of person authorised to make declaration)

on behalf of Victoria University declare that the expense payment benefits, described below, and provided during the FBT year from 1 April _____ to 31 March _____ are payments or reimbursements of expenses, of which, under the 'otherwise deductible' rule would have a taxable value of nil.

(Show sufficient detail to enable identification of the relevant benefits, e.g. name of employee(s) and or class of employee and or type of expense).

Signature _____

Date ____/____/20____

No private use declaration – residual benefits

I, _____
(Name of person authorised to make declaration)

on behalf of Victoria University declare that the residual benefits, described below, and provided

during the FBT year from 1 April _____ to 31 March _____ arise from the use of property which is subject to a consistently enforced prohibition on the private use of that property and which, under the 'otherwise deductible' rule would have a taxable value of nil?

(Show sufficient detail to enable identification of the relevant benefits, e.g. name of employee(s) and or class of employee and or type of benefit).

Signature _____

Date ____/____/20____

Expense payment benefit declaration

I, _____ declare that
(Employee's full name)

(show nature of expense, e.g. telephone rental and/or calls)

were provided to me by Victoria University during the period from ____/____/20__ to
Date/Month/Year

____/____/20__ and the expenses were incurred by me for the following purposes(s):
Date/Month/Year

(Please give sufficient information to demonstrate the extent to which the expenses were incurred by you for the purpose of earning your assessable income)

I also declare that the percentage of those expenses incurred in earning my assessable income was ____%.

Signature _____

Date ____/____/20__

Recurring expense payment benefit declaration

I, _____ declare that
(Employee's full name)

(show nature of expense e.g. telephone rental and/or calls)

were provided to me by Victoria University during the period from ____/____/20__ to
Date/Month/Year

____/____/20__ and that the expenses were incurred by me for the following purposes(s):
Date/Month/Year

(Please give sufficient information to demonstrate the extent to which the expenses were incurred by you for the purpose of earning your assessable income)

I also declare that the percentage of those expenses incurred in earning my assessable income was ____%.

I understand that this declaration is to apply to the above stated benefit and to any identical benefit for a period of up to five years from the date of this declaration or until the stated percentage incurred in earning my assessable income decreases by more than 10 percentage points. This declaration will also be revoked if another recurring expense payment fringe benefit declaration is provided in respect of a subsequent identical benefit.

Signature _____

Date ____/____/20__

Note

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, or to a change in the deductible proportion of 10 percentage points or less.

Property benefit declaration

I, _____ declare that
(Employee's full name)

(show nature of the goods e.g. stationery)

was provided to me by Victoria University during the period from ____/____/20__ to
Date/Month/Year

____/____/20__ and that the property was used by me for the following purposes(s):
Date/Month/Year

(Please give sufficient information to demonstrate the extent to which the property was used by you for the purpose of earning your assessable income)

I also declare that had I purchased the property for its market value, I would have been entitled to claim an income tax deduction equal to ____% of the purchase price.

Signature _____

Date ____/____/20__

Recurring property benefit declaration

I, _____ declare that
(Employee's full name)

(show nature of the goods e.g. stationery)

was provided to me by Victoria University during the period from ____/____/20__ to
Date/Month/Year

____/____/20__ and that the property was used by me for the following purposes(s):
Date/Month/Year

(Please give sufficient information to demonstrate the extent to which you used the property in earning your assessable income).

I also declare that, had I purchased the property for its market value, I would have been entitled to claim an income tax deduction equal to ____% of the purchase price.

I understand that this declaration is to apply to the above stated benefit and to any identical benefit for a period of up to five years from the date of this declaration or until the stated percentage incurred in earning my assessable income decreases by more than 10 percentage points. This declaration will also be revoked if another recurring property fringe benefit declaration is provided in respect of a subsequent identical benefit.

Signature _____

Date ____/____/20__

Note

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, or to a change in the deductible proportion of 10 percentage points or less.

Residual benefit declaration

I, _____ declare that
(Employee's full name)

(show nature of benefit e.g. car repairs)

was provided to me by Victoria University during the period from ____/____/20__ to
Date/Month/Year

____/____/20__ and that the benefit was used by me for the following purposes(s):
Date/Month/Year

(Please give sufficient information to demonstrate the extent to which the benefit was used by you for the purpose of earning your assessable income)

I also declare that had I purchased the service or privilege, etc. for its market value, I would have been entitled to claim an income tax deduction equal to ____% of the purchase price.

Signature _____

Date ____/____/20__

Recurring residual fringe benefit declaration

I, _____ declare that
(Employee's full name)

(show nature of benefit e.g. car repairs)

was provided to me by Victoria University during the period from ____/____/20__ to
Date/Month/Year

____/____/20__ and that the benefit was used by me for the following purposes(s):
Date/Month/Year

(Please give sufficient information to demonstrate the extent to which you used the benefit in earning your assessable income).

I also declare that, had I purchased the service or privilege, etc. for its market value, I would have been entitled to claim an income tax deduction equal to ____% of the purchase price.

I understand that this declaration is to apply to the above stated benefit and to any identical benefit for a period of up to five years from the date of this declaration or until the stated percentage incurred in earning my assessable income decreases by more than 10 percentage points. This declaration will also be revoked if another recurring property fringe benefit declaration is provided in respect of a subsequent identical benefit.

Signature _____

Date ____/____/20__

Note

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, or to a change in the deductible proportion of 10 percentage points or less.

Living away from home declaration – employees who maintain an Australian home

Name of employee

I,

declare that the address I usually reside at in Australia is:

Address of employee

Either myself or my spouse has an ownership interest in the unit of accommodation located at the address stated above. This residence continues to be available at any time for my immediate use and enjoyment during the period that the duties of my employment require me to live away from it and it is where I expect to resume living when that period ends; and

From to

When the duties of employment required me to live away from where I usually reside when in Australia, I actually resided at the following addresses.

Signature

Date

Living away from home declaration – employee related expenses

Name of employee
I,

declare that:

From to

I have incurred the following expenses for which a living away from home allowance fringe benefit has been provided.

1. Accommodation

The total amount of accommodation expenses which I can substantiate with documentary evidence is \$_____ (including accommodation expenses for all eligible family members living with me during the above period).

2. Food or drink

I have incurred food or drink expenses which do not exceed the amount that the Commissioner considers reasonable based on the number of eligible family members living with me for the above period and therefore I am not required to substantiate these expenses.

I also declare that my employer, Victoria University will compensate me for the additional costs of food and drink I have incurred based on the rates determined by the ATO Taxation Determination after deducting the statutory food amounts.

In the event I am found not to be living away from home, I will be personally responsible for paying back any tax payable by my employer including interest and penalty charges.

Signature

Date

Employment interview or selection test declaration - transport in employee's car

I, _____ declare that on ____/____/20____
(Employee's name) Date/Month/Year

I travelled in my car for the purpose of attending an employment interview/employment selection test (delete whichever is not applicable) from _____ to _____
(state place of departure) (state destination)

The car is _____
(state make and model of the car and whether rotary engine or not)

with an engine capacity (in cubic centimetres) of _____.

The total number of kilometres travelled in the car on the journey (including my return trip) was _____.

Signature _____

Date ____/____/20____

Declaration of car travel to work-related medical examination, medical screening, preventative health care, counselling or migrant language training

I, _____ declare that on ____/____/20____
(Employee's name) Date/Month/Year

(state who travelled e.g. self, self and a family member etc.)

Travelled in my car to attend:

- Work-related medical examination;
 - Work-related medical screening;
 - Work-related preventative health care;
 - Work related counselling;
 - Migrant language training;
- (Delete those that do not apply)

The travel was from _____ to _____
(state place of departure) (state place of destination)

The car is _____
(state make and model of the car and whether rotary engine or not)

with an engine capacity (in cubic centimetres) of _____.

The total number of kilometres travelled in the car on the journey (including my return trip) was _____.

Signature _____

Date ____/____/20____

Relocation transport declaration

I, _____ declare that
(Employee's name)

for the purposes of relocating my place of residence,

(state who travelled e.g. self, self and family)

travelled in my car from _____ to _____
(state place of departure) (state place of destination)

The car is _____
(state make and model of the car and whether rotary engine or not)

with an engine capacity (in cubic centimetres) of _____.

The total number of kilometres travelled in the car on the journey (including my return trip) was _____.

Signature _____

Date ____/____/20____

Temporary Accommodation relating to relocation declaration

Section A and D of the form must be completed plus either of Sections B and C

Section A

I, _____
(Employee's name)

declare that for the purpose of commencing employment with Victoria University at

(locality/address of employer)

that I commenced sustained efforts to acquire a long term place of residence on

_____ ; and
(date search-period commenced)

(Complete either Section B or Section C, whichever is applicable, where a period in excess of four months has elapsed since the search commenced).

Section B

If the employee did not have a proprietary interest in their former residence:

(Where the unit of accommodation is occupied on a date subsequent to completion of the initial four month search period but prior to six months after commencement of the initial search period)

I entered into a contract to permanently occupy a unit of accommodation on

_____ 20____ ;
(date)

and commenced occupation (on a date subsequent to the completion of the initial four month search period but prior to six months after the commencement of the initial search period) of the unit of accommodation on

_____ 20____ ; **or**
(date)

(Where the employee is unable to locate a suitable permanent unit of accommodation after six months from the commencement of the initial search period :)

As at _____ 20____ despite sustained efforts,
(date six months from the commencement of the initial search period)

I have been unable to locate a suitable permanent unit of accommodation;
Or

Section C

If the employee held a proprietary interest in their former residence:

I entered into a contract to sell my former residence on _____ 20____ and;
(date within six months of the commencement of the initial search-period)

Either (indicate whichever is appropriate):

commenced occupation of a unit of accommodation on _____ 20____

- which I intend to occupy as my new long term residence; **or**
- despite sustained efforts, I have been unable to locate suitable long term accommodation within a period of 12 months from when my initial search commenced.

Section D

Temporary accommodation at _____
(address)

Was required for the period _____ 20____ to _____ 20____
(date) (date)

solely because I was required to change my usual place of residence in order to perform the duties of my employment.

Signature _____

Date _____