

## Fringe Benefit Tax

Fringe Benefit Tax (FBT) is paid on particular benefits employers provide to their employees or their employees' associates instead of salary or wages. Benefits can be provided by an employer, an associate of the employer, or a third party by arrangement with the employer. An employee can be a former, current, or future employee.

FBT is separate from income tax and based on the taxable value of the various fringe benefits provided. The FBT year runs from 1 April – 31 March.

The following categories of FBT apply, with specific valuation properties applicable to each category (refer to the ATO website for further FBT categories).

- Residual
- Property
- Loan
- Entertainment
- Living away from home allowance
- Houseing
- Expense payment
- Car
- Car Parking
- Airline transport board ie meal

### **The following are NOT fringe benefits.**

- Approved employee share acquisition schemes
- Employer contributions to complying superannuation funds
- Employment termination payments –eg company car given or sold to employee when they leave
- Certain benefits provided by religious institutions to their religious practitioner

### **You can reduce the amount of FBT you pay by:**

- Replacing fringe benefits with a cash salary
- Providing benefits that your employees would be entitled to claim as a income tax deduction if they had paid for the benefits themselves
- Providing benefits that are exempt from FBT
- Using employee contributions