

INDIVIDUALS

TAXPAYERS

OVERVIEW

NAT 2836-06.2006

SEGMENT

AUDIENCE

FORMAT

PRODUCT ID



Australian Government

Australian Taxation Office

REPORTABLE FRINGE BENEFITS – FACTS FOR EMPLOYEES

OUR COMMITMENT TO YOU

We are committed to providing you with advice and information you can rely on.

We make every effort to ensure that our advice and information is correct. If you follow advice in this publication and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we must still apply the law correctly. If that means you owe us money, we must ask you to pay it. However, we will not charge you a penalty or interest if you acted reasonably and in good faith.

If you make an honest mistake when you try to follow our advice and you owe us money as a result, we will not charge you a penalty. However, we will ask you to pay the money, and we may also charge you interest.

If correcting the mistake means we owe you money, we will pay it to you. We will also pay you any interest you are entitled to.

You are protected under GST law if you have acted on any GST advice in this publication. If you have relied on GST advice in this publication and that advice later changes, you will not have to pay any extra GST for the period up to the date of the change. Similarly, you will not have to pay any penalty or interest.

If you feel this publication does not fully cover your circumstances, please seek help from the Tax Office or a professional adviser.

The information in this publication is current at June 2006.

We regularly revise our publications to take account of any changes to the law, so make sure that you have the latest information. If you are unsure, you can check for a more recent version on our website at www.ato.gov.au or contact us.

© COMMONWEALTH OF AUSTRALIA 2006

This work is copyright. Apart from any use as permitted under the *Copyright Act 1968*, no part may be reproduced by any process without prior written permission from the Commonwealth. Requests and inquiries concerning reproduction and rights should be addressed to the Commonwealth Copyright Administration, Attorney General's Department, Robert Garran Offices, National Circuit, Barton ACT 2600 or posted at <http://www.ag.gov.au/cca>

PUBLISHED BY

Australian Taxation Office
Canberra
June 2006
JS 5326

CONTENTS

About this overview	2
What is a fringe benefit	2
Who pays FBT?	3
Fringe benefit categories	3
What is a reportable fringe benefits amount?	5
Does the value of all fringe benefits need to be shown on your payment summary?	6
How the amount shown on your payment summary is worked out	6
How to reduce the amount of reportable fringe benefits shown on your payment summary	8
Consequences of having an amount included on your payment summary	8
More information	inside back cover

ABOUT THIS OVERVIEW

This overview provides information to you as an employee about the reportable fringe benefits amount included on your payment summary. It explains:

- what is a fringe benefit and who pays fringe benefits tax (FBT)
- the different types of fringe benefits
- what is a reportable fringe benefits amount
- how your reportable fringe benefits amount is calculated, and
- the consequences of having fringe benefits reported on your payment summary.

WHAT IS A FRINGE BENEFIT?

Basically, a fringe benefit is a benefit provided to you or an associate (for example, your spouse or children) because of your employment. You can be a current, former or future employee.

Benefits can be provided by:

- your employer
- an associate of your employer, or
- a third party under an arrangement with your employer.

The term **benefit** is broadly defined and includes any right (including any property right), privilege, service or facility. A benefit could be:

- the use of something, for example, a car, house or equipment
- ownership of something, for example, items of clothing, or
- enjoyment of a privilege or facility.

For example, you could receive a benefit when you:

- use a work car for private purposes
- are provided with a cheap loan
- are provided with free private health insurance
- are provided with cleaning services for your private residence, or
- enter into a salary sacrifice arrangement.

SOME WORK-RELATED BENEFITS ARE EXEMPT FROM FBT

The following work-related benefits are not considered to be fringe benefits.

- A mobile phone or car phone used mainly for your employment.
- Protective clothing required for your employment.
- A briefcase.
- A calculator.
- A tool of trade.
- An electronic diary, a personal digital assistant (PDA), or similar item.
- A notebook, laptop or similar portable computer (limited to one a year).
- From 1 April 2006, portable printers designed specifically for use with a notebook computer, a laptop computer or a similar portable computer.

WHO PAYS FBT?

Employers pay FBT on the value of the fringe benefits provided to employees or employees' associates. FBT is paid by employers, regardless of whether they are:

- sole traders, partnerships, trusts, corporations, unincorporated associations or government bodies, or
- liable to pay other taxes such as income tax.

NON-PROFIT ORGANISATIONS

FBT concessions apply to certain benefits provided by the following organisations.

- Public benevolent institutions (other than hospitals) and health promotion charities.
- Public and non-profit hospitals and public ambulance services.
- Rebatable employers.
- Religious institutions.
- Non-profit companies.

Generally, benefits provided to volunteers and contractors do not attract FBT.

If the value of certain fringe benefits (other than excluded fringe benefits) provided to you exceeds \$1,000 in an FBT year the amount will be recorded on your payment summary for the corresponding income year. Please note this requirement applies even if your organisation is not liable to pay FBT and is eligible for FBT concessions.

➔ For more information on these concessions see *Fringe benefits tax for non-profit organisations* (NAT 14947).

FRINGE BENEFIT CATEGORIES

FBT law identifies various categories of fringe benefits and provides specific valuation rules for each category. The categories are outlined below.

❗ In the following overviews we refer only to employer and employee. However, FBT can also apply where the benefit is provided by a third party under an arrangement with the employer, or where the benefit is provided to an associate of the employee.

CAR FRINGE BENEFIT

A car fringe benefit generally arises when a car that is owned or leased by an employer is used privately by an employee, or made available for their private use.

For FBT purposes a car is:

- a sedan, station wagon, panel van or utility (including four-wheel drive vehicles)
- any other goods-carrying vehicle with a carrying capacity of less than one tonne, or
- any other passenger-carrying vehicle designed to carry fewer than nine passengers.

A car is taken to be made available for private use by an employee on any day it is:

- actually used for private purposes by the employee, or
- available for the private use of the employee.

❗ If the car is garaged at or near an employee's home, it is taken to be available for the employee's private use, regardless of whether or not the employee has permission to use the car privately.

As a general rule, travel to and from work is considered to be private use of a vehicle.

LOAN FRINGE BENEFITS

A loan fringe benefit may arise when an employer gives a loan to an employee interest free, or at an interest rate that is less than the statutory interest rate (usually announced in April each year).

DEBT WAIVER FRINGE BENEFITS

If an employee owes a debt to an employer and the employer releases the employee from the obligation to repay the debt, the unpaid amount may be a debt waiver fringe benefit.

EXPENSE PAYMENT FRINGE BENEFITS

An expense payment fringe benefit may arise if an employer pays for or reimburses an expense incurred by an employee. The expenses can be a business or private expense, or a combination of both, but it must be incurred by the employee.

HOUSING FRINGE BENEFITS

A housing fringe benefit may arise when an employer provides accommodation to an employee rent-free or at a reduced rent where that accommodation is the employee's usual place of residence.

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 on a ship or other floating structure.

BOARD FRINGE BENEFITS

A board fringe benefit may arise if an employer provides an employee with accommodation and there is an entitlement to at least two meals a day, for example, meals provided in a dining facility located on a remote construction site, oil rig or ship. The meals may be a board fringe benefit.

AIRLINE TRANSPORT FRINGE BENEFITS

An airline transport fringe benefit may arise when an employee of an airline or travel agent is provided with free or discounted air travel on a stand-by basis.

LIVING AWAY FROM HOME ALLOWANCE FRINGE BENEFITS

A living away from home allowance fringe benefit may arise if an employer pays an allowance to an employee to cover additional expenses incurred because the employee is temporarily required to live away from their usual place of residence in order to perform their employment duties.

PROPERTY FRINGE BENEFITS

A property fringe benefit may arise when an employer provides an employee with property, either free or at a discount. Property includes:

- all goods, for example, items of clothing or a cylinder of heating gas
- real property, for example, land and buildings, and
- other property, for example, shares.

ENTERTAINMENT BENEFITS

A fringe benefit may arise if an employer provides an employee with entertainment by way of food, drink or recreation. There is no category of fringe benefit called an entertainment fringe benefit, but the following types of fringe benefits may arise from providing entertainment.

- An expense payment fringe benefit, for example, the cost of theatre tickets purchased by an employee and reimbursed by the employer.
- A property fringe benefit, for example, providing food and drink.
- A residual fringe benefit, for example, providing accommodation or transport in connection with such entertainment.
- A tax-exempt body entertainment fringe benefit (only employers who are exempt from income tax).

ENTERTAINMENT PROVIDED BY A TAX-EXEMPT ORGANISATION

A tax-exempt body entertainment fringe benefit may arise when an employer who is wholly or partially exempt from income tax provides an employee with entertainment in the form of food, drink or recreation. Accommodation or travel provided in connection with such entertainment is also deemed to be entertainment.

WHAT IS A REPORTABLE FRINGE BENEFITS AMOUNT?

CAR PARKING FRINGE BENEFITS

A car parking fringe benefit may arise if an employer provides car parking to an employee and:

- there is a commercial car parking station within a one-kilometre radius of where the car is parked, and
- that commercial car parking station charges a fee for all day parking that is more than the car parking threshold.

RESIDUAL FRINGE BENEFITS

Any fringe benefit that is not subject to any of the other categories is called a residual fringe benefit. A residual fringe benefit may arise when you provide an employee with any right, such as a privilege, service or facility, which is not one of the specific types of fringe benefits already mentioned.

Some examples are:

- use of employer's property, for example, video camera or television
- provision of a service, for example, advice given by a solicitor, and
- private use of a motor vehicle that is not a 'car' for FBT purposes, for example, a one tonne ute.

If the value of certain fringe benefits provided to you or your associate exceeds \$1,000 in an FBT year (1 April to 31 March), your employer must record the grossed-up taxable value of those benefits on your payment summary for the corresponding income year (1 July to 30 June).

❗ The Government has announced that from 1 April 2007, the fringe benefits reporting exclusion threshold will increase from \$1,000 to \$2,000.

Benefits provided to any of your associates in respect of your employment will be included as fringe benefits provided to you.

This amount is known as your **reportable fringe benefits amount**.

The sum of an employee's reportable fringe benefits amounts from every employer for a year is called their **reportable fringe benefits total**.

❗ As you do not pay income tax on fringe benefits, the grossed-up taxable value of a benefit reflects the gross salary that you would have to earn to purchase the benefit from after-tax dollars.

The grossed-up taxable value is reported to ensure the value of the benefits is consistent with other forms of income on your payment summary.

Even though a reportable fringe benefits amount is included on your payment summary, you do not include it in your total income or loss amount, or pay income tax or Medicare levy on it. It is, however, included in a number of income tests relating to certain government benefits and obligations.

DOES THE VALUE OF ALL FRINGE BENEFITS NEED TO BE SHOWN ON YOUR PAYMENT SUMMARY?

Some fringe benefits don't have to be reported on your payment summary, although your employer still has to pay FBT on these benefits.

These benefits are called excluded benefits and include:

- entertainment provided as food and drink, and benefits associated with that entertainment, such as travel and accommodation
- car parking fringe benefits, apart from eligible car parking expense payments
- hired or leased entertainment facilities, such as corporate boxes
- remote area housing assistance, home ownership schemes, and repurchase schemes where the value of the benefit is reduced in accordance with section 60 of the *Fringe Benefits Tax Assessment Act 1986*
- costs of occasional travel to a major Australian population centre by employees and their families living in a remote area
- freight costs for food provided to employees living in a remote area
- emergency or other essential health care provided to an employee or associate who is an Australian citizen, or permanent resident, while the employee is working outside Australia and no Medicare benefit is payable
- certain Commonwealth overseas living allowance payments
- certain benefits provided to Defence Force members, and
- certain benefits provided to police officers.

HOW THE AMOUNT SHOWN ON YOUR PAYMENT SUMMARY IS WORKED OUT

Your employer has to keep records of the value of any fringe benefits given to you and your associate, but only needs to show these benefits on your payment summary if their taxable value exceeds \$1,000 in an FBT year (1 April to 31 March). Benefits provided to any of your associates (for example, your spouse or children) in respect of your employment will be included as fringe benefits provided to you.

Your employer grosses up the value of benefits provided to you using the FBT rate equal to the highest marginal rate of income tax plus Medicare levy (which is 48.5% for the FBT year ended 31 March 2006). Therefore, a fringe benefit with a taxable value of \$1,001 becomes a reportable fringe benefit amount of \$1,943.

❗ If a reportable fringe benefit amount shown on your payment summary is less than \$1,943, check with your employer about how the amount was calculated.

EXAMPLE: working out amounts for payment summaries

Between 1 April 2005 and 31 March 2006 (the 05–06 FBT year) Tim is provided with a work car, with the taxable value of Tim's car fringe benefits totalling \$2,500. Tim and his partner also stay in company coastal accommodation several times a year, with the taxable value of the accommodation being \$800.

So the taxable value of Tim's fringe benefits total \$3,300. The grossed-up taxable value of these benefits would appear on his payment summary for the income year ending 30 June 2006.

The rate of FBT for the year ended 31 March 2006 is 48.5%, so the grossed-up amount to be reported on Tim's payment summary would be \$6,407. This is calculated as follows:

$$\frac{\text{Total taxable value}}{1 - \text{the FBT rate}} = \frac{\$3,300}{1 - 0.485} = \$6,407$$

WORKING OUT AN EMPLOYEE'S SHARE OF A BENEFIT

If you share a fringe benefit with other employees, your employer must work out what portion of the taxable value reasonably reflects the amount of the benefit provided to you.

While the legislation does not specify any particular method:

- the portion of the taxable value allocated to each employee must reasonably reflect the benefit provided to each employee, taking into account all relevant information, and
- the total taxable value of the benefit must be allocated among the relevant employees.

EXAMPLE: allocating the benefit – holiday package

An employer gives two employees a holiday package as a fringe benefit. The package is for two people and cannot be taken as two single holidays. The taxable value of the package is \$5,000.

It would be reasonable for the employer to allocate the taxable value between the employees on a 50-50 split basis, with each employee's share being \$2,500.

EXAMPLE: allocating the benefit – car fringe benefit

An employer has a car that is used for business purposes and is also available for employees' private use. The taxable value of the car fringe benefit is \$4,500 (calculated using the statutory formula method).

If 10 employees use the car and benefit from the use of the car equally, the employer could calculate each employee's share as:

$$\begin{array}{r} \text{Total taxable value} \\ \hline \text{Number of recipients} \\ \\ = \frac{\$4,500}{10} \\ \\ = \$450.00 \end{array}$$

EXAMPLE: allocating the benefit – car overnight rate

Alternatively, the employer could allocate the taxable value of the car by allocating an overnight rate for the car. If the taxable value of the car fringe benefit is \$4,500 and the car is used for home to work travel on 240 days in the year, the overnight rate for the car is:

$$\begin{array}{r} \\ \\ = \frac{\$4,500}{240} \\ \\ = \$18.75 \text{ per night} \end{array}$$

The employer would multiply the number of nights each employee had the car by the overnight rate to determine each employee's share of the taxable value.

WHAT HAPPENS WHEN YOU CEASE EMPLOYMENT BUT HAVE REPORTABLE BENEFITS?

If you cease your employment between 1 April and 30 June in a particular year and have been provided with reportable benefits *since* 1 April in that year, the amount of the reportable benefit must be shown on a payment summary for the income tax year ended 30 June in the following year. This is the case even though you will not have been paid salary or wages by that employer in that income tax year.

The employer has until 14 July following the end of the income year covered by the payment summary to provide you with a payment summary.

EXAMPLE: ceasing employment

Joan ceases employment with her employer on 15 May 2006. From 1 April 2006 to 15 May 2006, Joan is provided with fringe benefits with a reportable value of \$3,200. This amount must be reported on a payment summary for the income year ended 30 June 2007.

Joan's employer has until 14 July 2007 to issue the payment summary.

HOW TO REDUCE THE AMOUNT OF REPORTABLE FRINGE BENEFITS SHOWN ON YOUR PAYMENT SUMMARY

You can reduce the amount of fringe benefits shown on your payment summary for future years by:

- arranging with your employer to swap or modify your fringe benefits for cash salary, and/or
- making employee contributions that reduce the taxable value of a fringe benefit by the amount you have contributed.

❗ Employee contributions may only be made from your after-tax income. Also, contributions towards a particular fringe benefit cannot be used to reduce the taxable value of any other fringe benefit.

CONSEQUENCES OF HAVING AN AMOUNT INCLUDED ON YOUR PAYMENT SUMMARY

Even though a reportable fringe benefits amount is included on your payment summary and is shown on your tax return, it is not included in your assessable income. It is, however, included in a number of income tests related to:

- Medicare levy surcharge
- deduction for personal superannuation contributions
- Super Co-contribution
- tax offset for eligible spouse superannuation contributions
- mature age worker tax offset
- Higher Education Contribution Scheme (HECS) and Higher Education Loan Programme (HELP) repayments
- child support obligations, and
- entitlement to certain income-tested government benefits.

The effect of reportable fringe benefits on income tests for these benefits and obligations is explained in more detail below.

MEDICARE LEVY SURCHARGE

Your **reportable fringe benefits total** is included when calculating liability for the Medicare levy surcharge.

The Medicare levy surcharge is set at 1% for the income tax year ended 30 June 2006. It is calculated on your taxable income for Medicare levy surcharge purposes, which is the total of:

- your taxable income (less any eligible termination payments that have a tax rate of zero)
- your **reportable fringe benefits total**, and
- the net amount on which family trust distribution tax has been paid on your behalf.

The surcharge is payable where:

- your taxable income, or the combined taxable income of you and your spouse (married or de facto), for Medicare levy surcharge purposes, exceeds the relevant surcharge income threshold
- you and any dependants are not covered by an appropriate level of private-patient hospital cover provided by a registered health insurance fund, and
- you, and all your dependants were not in a Medicare Levy exemption category for the full year.

The surcharge income threshold levels are:

- \$50,000 for single taxpayers with no dependants, and
- \$100,000 for families – including a couple (married or de facto) with or without a child, or sole parents with one child. The family surcharge threshold is increased by \$1,500 for each additional child after the first one. For example, a family with three dependant children would have a family surcharge threshold of \$103,000.

If the combined taxable income of you and your spouse (for Medicare levy surcharge purposes) is above the family surcharge threshold, but your own taxable income is at or below the general Medicare levy low-income threshold amount, you are not liable for the surcharge.

The Medicare levy surcharge is in addition to the basic Medicare levy of 1.5% of your taxable income. Your **reportable fringe benefits total** is not included when calculating your liability for the Medicare levy.

EXAMPLE: calculating Medicare levy surcharge

Bill has a taxable income of \$30,000 and a reportable fringe benefits total of \$30,000. Bill's spouse, Mary, has a taxable income of \$60,000 and a reportable fringe benefits total of \$10,000. Therefore, Bill and Mary's combined family income for Medicare levy surcharge purposes is \$130,000. They have three dependant children. None of the family members are covered by an appropriate level of private-patient hospital cover.

Bill and Mary's family threshold for the surcharge is \$103,000 (\$100,000 plus 2 times \$1,500). As their combined family income (\$130,000) exceeds their family surcharge threshold and they are both liable to pay the Medicare levy, the surcharge would apply to both Bill and Mary. The amount of surcharge payable by Bill would be \$600 (1% of \$60,000) and the amount payable by Mary would be \$700 (1% of \$70,000).

INCOME TAX DEDUCTIONS FOR PERSONAL SUPERANNUATION CONTRIBUTIONS

Your **reportable fringe benefits total** may affect whether you can claim a deduction for personal superannuation contributions.

As a general rule, employees are not entitled to claim an income tax deduction for superannuation contributions in an income year where they have also received employer superannuation support. This general rule does not apply if you are deemed to be substantially self-employed.

You are deemed to be substantially self-employed if any **reportable fringe benefits total** plus your total exempt and assessable income from an employer or employers who provide superannuation support is less than 10% of any **reportable fringe benefits total** plus your total assessable income.

SUPER CO-CONTRIBUTION

The Australian Government pays a Super Co-contribution to eligible individuals who make eligible personal superannuation contributions. Your **reportable fringe benefits total** is included when assessing your eligibility for the Super Co-contribution.

You will be eligible for the co-contribution for an income year if:

- you make personal superannuation contributions by 30 June to a complying superannuation fund or retirement savings account
- your total income (assessable income plus **reportable fringe benefits total**) is less than \$58,000 (this may be different to your taxable income)
- 10% or more of your total income is from eligible employment
- you do not hold an eligible temporary resident visa at any time during the income year
- you lodge an income tax return for the relevant income year, and
- you are less than 71 years old at the end of the income year.

For 2004-05 to 2006-07, if your total income is \$28,000 or less, the co-contribution is \$1,500, based on a \$1,000 personal superannuation contribution. The co-contribution is reduced by 5 cents for each \$1 of your total income over \$28,000 up to \$58,000, where it phases out completely.

For example, if you earn \$32,000 a year and make personal super contributions of \$1,000 during that year, you may be entitled to a Super Co-contribution of \$1,300.

From 2007-08:

- the lower threshold of \$28,000 will be indexed each year and
- the higher threshold will be the lower threshold plus \$30,000.

➤ For more information about the Super Co-contribution, visit www.ato.gov.au/super or phone 13 10 20.

TAX OFFSET FOR CONTRIBUTIONS TO SPOUSE'S SUPERANNUATION

You may be able to claim a tax offset for contributions you make to a complying superannuation fund or retirement savings account on behalf of your spouse.

This tax offset is available where the sum of your spouse's assessable income plus **reportable fringe benefits total** is less than \$10,800, although a reduced tax offset is payable for spouses earning up to \$13,800. You must also satisfy the following conditions.

- The contributions are not deductible to you.
- At the time of making the contributions, you and your spouse:
 - were Australian residents, and
 - were not living separately and/or apart on a permanent basis.

COMPULSORY HECS AND HELP REPAYMENTS

Your **reportable fringe benefits total** is included in calculating your repayment income for Higher Education Contribution Scheme (HECS) and Higher Education Loan Programme (HELP) debts.

If you are a pre-2005 HECS student and chose to defer any of your HECS contribution for studies you undertook before 1 January 2005, you will have incurred a HECS debt. This debt will still be called a HECS debt until 1 June 2006. Any HELP debts you incur from 1 January 2005 will be added to any existing HECS debts to become one accumulated HELP debt on 1 June 2006.

You are required to start repaying your debt when your repayment income is above the minimum threshold for compulsory repayment. Your repayment income includes:

- your taxable income for the income year, plus
- any amount your taxable income has been reduced by a net rental loss, plus
- any exempt foreign employment income amounts, plus
- your **reportable fringe benefits total**.

TABLE: Repayment rates for income earned during 2005-06

Repayment income 2005-06	Repayment rate (% of repayment income)
Below \$36,185	Nil
\$36,185-\$40,306	4%
\$40,307-\$44,427	4.5%
\$44,428-\$46,762	5%
\$46,763-\$50,266	5.5%
\$50,267-\$54,439	6%
\$54,440-\$57,304	6.5%
\$57,305-\$63,062	7%
\$63,063-\$67,199	7.5%
\$67,200 and above	8%


Repayment income = Taxable income plus any net rental losses, total reportable fringe benefits amounts and exempt foreign employment income.

EXAMPLE: calculating your compulsory repayment

Greg had a HECS debt of \$10,000 and a taxable income of \$35,000 for the year ended 30 June 2006. In his tax return he claimed a net rental loss of \$2,000 and had a reportable fringe benefits total of \$4,000. Greg would have a compulsory repayment of \$1,845 (4.5% of \$41,000) raised on his income tax notice of assessment.

If you have a spouse or dependants and, due to low family income, you are entitled to a reduction of the Medicare levy or you do not have to pay Medicare levy, you will be exempt from making a compulsory HECS/HELP repayment for that year.

If you have an accumulated HECS/HELP debt and will have a compulsory repayment as part of your income tax assessment, your payer must withhold additional amounts from payments made to you to cover your anticipated compulsory repayment. The additional amounts withheld from your payments do not cover reportable fringe benefits amounts.

 More information – *Repaying HECS & HELP debts in 2005–06* (NAT 3913)

ENTITLEMENT TO CERTAIN INCOME-TESTED GOVERNMENT BENEFITS

The **reportable fringe benefits total** is taken into account in the income tests for:

- family tax benefit
- child care benefit, and
- parental income test for the youth allowance.

These income tests include only the non grossed-up value of your fringe benefits, which you can calculate by multiplying your reportable fringe benefits total by 0.515.

CHILD SUPPORT PAYMENTS

For child support assessments commencing on or after 1 July 2000, the **reportable fringe benefits total** of each parent is added to their taxable income, along with any rental property losses and exempt foreign employment income, to ascertain their child support income.

EXAMPLE: calculating child support income

For the year ended 30 June 2005 Anne had a taxable income of \$30,000, a \$2,000 rental loss, and a reportable fringe benefits total of \$4,000. Anne's child support income (for the purpose of an assessment for a new child support period commencing after her tax assessment issued) would be:

Taxable income	\$30,000
Rental loss	(\$2,000)
Reportable fringe benefits total	\$ 4,000
Child support income	\$36,000

MORE INFORMATION

There is more information about FBT in:

- *Fringe benefits tax: a guide for employers* (NAT 1054)
- *Fringe benefits tax for small business* (NAT 8164)
- *Salary sacrifice arrangements for employees* (NAT 7424)

If you need more information you can:

- visit our website at **www.ato.gov.au**
- phone **13 28 61**.

If you do not speak English well and want to talk to a tax officer, phone the Translating and Interpreting Service on **13 14 50** for help with your call.

If you have a hearing or speech impairment and have access to appropriate TTY or modem equipment, phone **13 36 77**. If you do not have access to TTY or modem equipment, phone the Speech to Speech Relay Service on **1300 555 727**.

