

Additional Information

Reportable Fringe Benefits and Reporting



The difference between “grossed up” benefits and Reportable Fringe Benefits

Grossed up benefits and Reportable Benefits are not always the same figures. Certain benefits will result in a difference in these figures.

The Reportable Fringe Benefits Amount will be less than the grossed up benefits amount if:

- Type 1 Benefits (including cars) have been administered (i.e. a different and higher gross up rate has been used)
- Non-reportable benefits have been administered (i.e. shared private use vehicles and Remote Area Benefits).



Reportable Fringe Benefits amount and Type 1 Benefits

The grossed up value of a benefit is determined by the nature of the benefit being provided. Where the cost of the benefit provided includes GST, the Type 1 gross up factor of 2.0802 is used.

In contrast, Reportable Fringe Benefits are always grossed up using the Type 2 gross up factor of 1.8868, regardless of the GST treatment of the benefit being provided.

Example:

Public Benevolent Institutions

An employee that maximised their benefits to \$30,000.00 by utilising only benefits items that included GST, will have a grossed up benefit amount of \$30,000.00, but a Reportable Fringe Benefits Amount of \$27,210.85.

Hospital and ambulance services

An employee that maximised their benefits to \$17,000.00 by utilising only benefit items that included GST, will have a grossed up benefits amount of \$17,000.00, but a Reportable Fringe Benefits Amount of \$15,419.48.

Shared private use vehicles reporting exclusion

Where car benefits are provided to employees on a pooled or shared basis (i.e. the car is available for private use or has been used for private use by more than one employee), this benefit is not reportable on an employee's annual income statement.

Where AccessPay is aware of the pooling or sharing of the car, the benefit is excluded from calculation of the Reportable Fringe Benefits Amount listed in the Reportable Fringe Benefits Report. While not reportable, the benefit itself is still a fringe benefit and, therefore, subject to the statutory threshold.

Remote Area Benefits

All Remote Area Benefits are non-reportable benefits.

Therefore, they are excluded from the calculation of the Reportable Fringe Benefits Amount listed in the Reportable Fringe Benefits Report.

While not reportable, 50% of the Remote Area Benefit is included in the General Living Expenses threshold. The remaining 50% is in addition to the cap.

Remote Area related benefits include Remote Area Housing Assistance and Remote Area Holiday Transport.

When the Reportable Fringe Benefits Amount does not need to be included on an employee's annual income statement

The Reportable Fringe Benefits Amount is not included on an employee's annual income statement where the grossed up amount is \$3,773.60 or less, or where the non-grossed up amount is \$2,000.00 or less.

Employees with a Reportable Fringe Benefit below this threshold have been shown separately on your report. Further, fringe benefits amounts for Religious Practitioners employed by Religious Institutions are not reportable and these have been shown as such on the attached reports.

The grossed up amount of \$3,773.60 must include all Reportable Fringe Benefits, including Entertainment Benefits.



Reconciling payroll deductions to the Reportable Fringe Benefits Report

When salary packaging payroll deductions are reconciled with the degrossed amount on the Reportable Fringe Benefits Report, there may be instances where these do not match.

This is because the degrossed Reportable Fringe Benefits Amount in any given FBT year refers to payments made from the employee's salary packaging account rather than the payroll deductions received. Further, payments associated with non-reportable benefits will not be reflected in the degrossed Reportable Fringe Benefits Amount.

Therefore, the degrossed amount on the Reportable Fringe Benefits Report will not match the payroll deduction amount where:

- a balance carried over from a previous FBT year has been paid, this includes funds that remain on a Salary Packaging and Employee Benefits Card
- a balance has accrued in the employee's salary packaging account, including funds that remain on a Salary Packaging and Employee Benefits Card
- non-reportable benefits have been administered (i.e. car parking, Remote Area Benefits, shared private use vehicles).

Including Entertainment Benefits on an employee's annual income statement

Public Benevolent Institutions

Entertainment Benefits are subject to a \$5,000 per annum threshold in addition to the current General Living Expenses cap of \$30,000.

The Subscriber Reportable Fringe Benefits report outlines the actual and degrossed total fringe benefits and includes all Entertainment Benefits, car and General Living Expense benefits. Entertainment Benefits are included within these totals which will result in some employees having an actual Reportable Fringe Benefit Amount of up to \$35,000 and a degrossed amount of up to \$18,549.93.

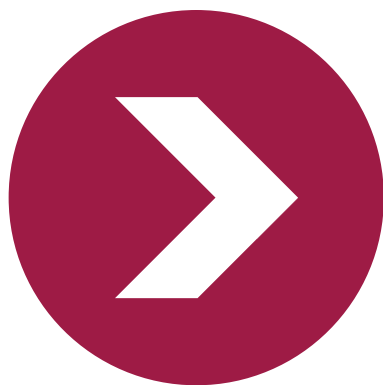
The total Reportable Fringe Benefit is included on an annual income statement. There is no requirement to itemise these amounts.

Hospitals and ambulance services

Entertainment Benefits are subject to a \$5,000 per annum threshold in addition to the current General Living Expenses cap of \$17,000.

The Subscriber Reportable Fringe Benefits report outlines the actual and degrossed total fringe benefits and includes all Entertainment Benefits, car and General Living Expense benefits. Entertainment Benefits are included within these totals which will result in some employees having an actual Reportable Fringe Benefit Amount of up to \$22,000 and a degrossed amount of up to \$11,659.95.

The total Reportable Fringe Benefit is included on an annual income statement. There is no requirement to itemise these amounts.



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