



## Reportable fringe benefits - facts for employees

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- [https://www.ato.gov.au/General/Fringe-benefits-tax-\(FBT\)/In-detail/Employees/Reportable-fringe-benefits---facts-for-employees/](https://www.ato.gov.au/General/Fringe-benefits-tax-(FBT)/In-detail/Employees/Reportable-fringe-benefits---facts-for-employees/)
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## Reportable fringe benefits – facts for employees

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This information is for employees who receive fringe benefits from their employer and have the taxable value of those benefits recorded on their payment summary.

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### Reportable fringe benefits amount

You have a reportable fringe benefits amount if the total taxable value of certain fringe benefits provided to you or your associate (for example, a relative) exceeds \$2,000 in an FBT year (1 April to 31 March). Employers are required to gross-up this amount and report it on your payment summary.

The total amount of reportable fringe benefits you receive from all your employers for a year is called your reportable fringe benefits total.

### Amounts reported on your payment summary

The reportable fringe benefits amount shown on your payment summary for an

income year (1 July to 30 June) is the grossed-up taxable value of the reportable benefits provided in the previous FBT year (1 April to 31 March).

For example, the reportable fringe benefits amount on your payment summary for the year ending 30 June 2018 would be the grossed-up taxable value of the reportable benefits provided from 1 April 2017 to 31 March 2018.

## Employment finished between 1 April and 30 June

You may finish employment between 1 April and 30 June, and your employer has provided you with fringe benefits exceeding a total of \$2,000 during this time. Your employer must show the reportable fringe benefits amount on your payment summary for the income tax year ended 30 June in the following year. This is even though you won't have received any salary or wages from that employer in the following income year.

Your 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: Finishing employment

Joan finishes employment with her employer on 15 May 2018. From 1 April 2018 to 15 May 2018, Joan receives fringe benefits from that employer with a reportable value of \$4,000.

Joan's employer is required to report this reportable fringe benefits amount on Joan's payment summary for the income year ended 30 June 2019. Joan's employer has until 14 July 2019 to issue the payment summary.

## Excluded fringe benefits

Some fringe benefits don't have to be reported on your payment summary. These benefits are called 'excluded benefits' and can include:

- car parking fringe benefits
- remote area housing assistance, home ownership schemes, and repurchase schemes
- if you live in a remote area, costs of occasional travel to a major Australian population centre
- benefits you receive to ensure your security and personal safety because of your job
- meal entertainment and entertainment facility leasing benefits, where these benefits are not provided under a salary sacrifice arrangement
- emergency or other essential health care you receive as an Australian citizen or permanent resident while you are working outside Australia and you cannot claim a Medicare benefit
- certain benefits provided to you if you are a

- defence force member
- police officer
  
- car benefits coming from your private use of pooled or shared cars.

See also:

- [Fringe benefits tax – a guide for employers – Chapter 5 Reportable fringe benefits](#)
- [Fringe benefits tax – a guide for employers – Chapter 6 Non-profit organisations and FBT](#)

## Calculating reportable fringe benefits amount

Your employer calculates your reportable fringe benefits amount by multiplying the taxable value of the fringe benefits (that are reportable) provided to you or your associate by the lower gross-up rate. The lower gross-up rate for the FBT year ending 31 March 2019 is 1.8868. For example, if the taxable value of your fringe benefits is \$2,000.01, your reportable fringe benefit amount is \$3,773.

The reportable fringe benefit amount reflects the gross salary that you would have to earn to purchase the benefit from your after tax income.

### Example: working out amounts for payment summaries

Between 1 April 2018 and 31 March 2019 (the 2019 FBT year), Tim's employer provided him with a work car. The taxable value of Tim's car fringe benefits is \$2,500. Tim and his partner also stay in company coastal accommodation several times a year, with a taxable value of \$800. These benefits are reportable.

The taxable value of Tim's fringe benefits total \$3,300. The grossed-up taxable value of these benefits will appear on his payment summary for the income year ending 30 June 2019.

The lower gross-up rate for the 2019 FBT year is 1.8868, so the grossed-up amount reported on Tim's payment summary is \$6,226. This is calculated as follows:

$$\begin{aligned} & \text{Total taxable value} \times 1.8868 \\ &= \$3,300 \times 1.8868 \\ &= \$6,226 \end{aligned}$$

See also:

- [Fringe benefits tax – a guide for employers – Chapter 5.4 Reporting amounts](#)

[on payment summaries](#) – examples for employers

## Consequences of having fringe benefits reported on your payment summary

Even though a reportable fringe benefits amount (RFBA) is included on your payment summary and is shown on your tax return, you do not:

- include it in your total income or loss amount
- pay income tax or Medicare levy on it.

Your reportable fringe benefits amount is used for:

- calculating your liability to the Medicare levy surcharge
- determining your entitlement to the private health insurance rebate
- determining whether you are liable for [Division 293 tax](#) for superannuation contributions
- determining your eligibility for the government co-contribution for personal superannuation co-contributions you made
- determining your eligibility for the low-income super tax offset for [concessional](#) (before tax) super contributions you or your employer pays into your super fund
- determining whether you can offset your business loss against other income (non-commercial losses)
- working out if you are entitled to reduce your employee share scheme discount
- working out the amount you must repay against your Higher Education Loan Program (HELP), Student Financial Supplement Scheme (SFSS), Student Start-up Loan (SSL), ABSTUDY Student Start-up Loan (ABSTUDY SSL) or Trade Support Loan (TSL) debt
- determining your entitlement to a tax offset for
  - contributions you made to your spouse's super
  - invalid and invalid carer
  - zone or overseas forces
  - net medical expenses for disability aids, attendant care or aged care
  - Medicare levy surcharge (lump sum payment in arrears)
  - seniors and pensioners
- determining your eligibility for family assistance payments (Family Tax Benefit Part A and Part B, Child Care Benefit for approved care (prior to 2 July 2018), Child Care Subsidy (from 2 July 2018), Parental Leave Pay, and Dad and Partner Pay)
- working out your child support obligations.

### Recent changes

From 1 January 2017, all of the RFBA is used in assessing your eligibility for certain government benefits and concessions. However, for employees of certain non-profit organisations the RFBA continues to be adjusted down in assessing your eligibility.

From 1 July 2017, there are changes to the treatment of fringe benefits under the

income tests for the following tax offsets:

- net medical expenses
- dependent (invalid and invalid carer)
- zone and overseas forces
- seniors and pensioners
- low income superannuation.

These changes also impact the calculation of your child's adjusted taxable income to determine whether your child is considered a dependant for Medicare levy purposes. The RFBA will be used when we calculate these tax offsets. However, for employees of certain non-profit organisations, the RFBA continues to be adjusted down to calculate these tax offsets.

See also:

- [Income tests](#)
- [Department of Human Services website – What counts as adjusted taxable income](#)<sup>EQ</sup> – include the value of reportable fringe benefits when calculating your entitlement to government benefits.

## Reducing your reportable fringe benefits amount

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

- arranging with your employer to replace your fringe benefits with cash salary
- making employee contributions out of your after-tax income towards the cost of the benefits.

## Employee contributions

Employee contributions are a payment you make towards the cost of your employer providing a fringe benefit. Generally, this is when you make a cash payment to your employer or the person who provided the benefit.

For example, you can make an employee contribution towards a car fringe benefit by paying a third party for some of the operating costs (such as fuel) that your employer does not reimburse.

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