



Australian Government

Department of Finance and Deregulation

Reference: FBT/AE  
Contact: FBT Helpdesk  
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**FBT Reportable Fringe Benefits Amount for Income Year 2008**

**IMMEDIATE ACTION REQUIRED**

This letter is to advise you that, based on records held by Ministerial and Parliamentary Services (M&PS), the value of benefits received by you in the 2008 FBT year (1 April 2007 to 31 March 2008) exceeds the \$2,000 threshold, set by the *Fringe Benefits Tax Assessment Act 1986* for Reportable Fringe Benefits.

Included in the table below is a summary of your Reportable Fringe Benefits detailing the fringe benefits you have received from M&PS and the grossed up value of those benefits. The grossed up value is the total benefits multiplied by a factor of 1.8692 as required by the *Fringe Benefits Tax Assessment Act 1986*. The grossed up value represents the Reportable Fringe Benefit Amount (RFBA) that will be recorded on your payment summary issued at the end of the 2007-2008 financial year.

The RFBA is not included in your assessable income for income tax purposes. However, it is important to note that the RFBA is added to your taxable income and taken into account in determining your eligibility to, or liability for a number of income tested government benefits and obligations such as:

- Medicare Levy Surcharge
- deduction for personal superannuation contributions
- government Super Co-contribution
- tax offset for eligible spouse superannuation contributions
- mature age worker tax offset
- superannuation contributions and termination payments surcharge
- Higher Education Contribution Scheme (HECS) and Higher Education Loan Programme (HELP) repayments, and
- child support obligations.

The RFBA will also be taken into account in the income tests for Family Tax Benefit and Child Care Benefit and the parental income test for Youth Allowance. These income tests will only include the non grossed up value of the fringe benefits. This amount can be calculated by multiplying the RFBA total by 0.535.

Benefit	Standard Category	Date	Description	Reportable Taxable Value	RFBA
Expense Payment	Residential Telephone	31-Mar-2008	Summary of Residential Telephone	\$5,172.15	\$9,867.78
Expense Payment	Dedicated Data Lines	31-Mar-2008	Summary of Dedicated Data Lines	\$853.81	\$1,545.57
Expense Payment	Domestic Spouse/Dependent Travel	31-Mar-2008	Summary of Domestic Spouse/Dependent Travel	\$28,888.68	\$54,185.08
Car		5-Aug-2008	CFR824 HOLDEN VZ Offore SV8	\$8,658.40	\$16,186.19
Total:				\$43,573.85	\$81,835.16

## ACTION REQUIRED

Please review the detailed summary of Reportable Fringe Benefits and the calculation of Motor Vehicle Benefit.

We have assumed the benefits provided are not business related. If any portion of the benefits provided were business related, please complete the attached Expense Payment Benefits Declaration stating the business portion. This will reduce the value of the benefit for FBT purposes and thus lower your RFBA.

We have also assumed the motor vehicle was available for private use for the full year. If the number of days the vehicle was not available for private use needs to be varied, or if the opening or closing odometer readings used to calculate annual mileage are incorrect, please complete the attached declarations. It is important to note that you must have records such as diary entries to substantiate your estimate of the number of days during the year the car was not available for private use. It is also important to note that if the vehicle is garaged at (or near) your place of residence the legislation deems the vehicle to be available for private use even if you are away from home.

As a result of changes to the *Fringe Benefits Tax Assessment Act (1986)* there are certain circumstances in which the Private Plated Vehicle (PPV) provided to you may not be a Reportable Fringe Benefit. The changes took effect from 1 April 2007 and, in summary, regards your PPV as a 'pooled or shared' vehicle if another 'employee' used the vehicle for private purposes during the FBT year. For the purposes of the legislation, another Senator or Member of the Federal Parliament, or staff employed under the *Members of Parliament Staff Act 1984*, would be regarded as 'another employee'. A Reportable Fringe Benefit does not arise in respect of a 'pooled or shared' vehicle.

If you have nominated another Senator or Member, or any staff employed under the MOP(S) Act, as a person who may drive your PPV, and if that person has driven your PPV for private purposes on a least one occasion during the FBT year commencing 1 April 2007, the provision to you of the PPV will not be a Reportable Fringe Benefit. Please complete the attached 'Pooled or Shared Car Certification' and return it to the M&PS Finance Manager if this exclusion should apply to a vehicle included in your RFBA. Similarly, if your PPV was previously (or subsequently) allocated to another Senator, Member or MOP(S) act employee during the FBT year, no Reportable Fringe Benefit arises.

Please return the declarations to the M&PS Finance Manager by close of business Tuesday 10 June 2008.

If the information attached is correct, there is no need to contact us.

Additional information about Fringe Benefits Tax and its implications can be found on the following website: [http://mops/S\\_M\\_Menu/fbt\\_overview.html](http://mops/S_M_Menu/fbt_overview.html). Should there be any aspect of this matter about which you require further clarification please contact our FBT help line on 02 6215 3355.

Yours sincerely

Finance Manager  
Ministerial and Parliamentary Services  
20 May 2008



**Australian Government**

**Department of Finance and Deregulation**

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Telephone: 02 6215 3355  
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**FBT Reportable Fringe Benefits Amount for Income Year 2009**

**RESPONSE REQUIRED BY 9 JUNE 2009**

Ministerial and Parliamentary Services (M&PS) is required under the *Fringe Benefits Tax Assessment Act 1986* to calculate the value of certain 'reportable' fringe benefits provided to an employee from 1 April 2008 to 31 March 2009.

**What are Reportable Fringe Benefits (RFBs)?**

In addition to gross salary and allowances disclosed on an employee's payment summary, M&PS is also required to report the grossed-up taxable value of certain entitlements that qualify as fringe benefits provided during the FBT year. An RFB is only disclosed if the taxable value of those benefits exceeds \$2,000. Reportable fringe benefits include the provision of travel for spouses or other nominated individuals, use of a work car for private purposes, reimbursement of certain study related costs and provision of free travel to former parliamentarians.

**Will I need to pay extra income tax on RFBs?**

No, RFBs are not part of your assessable income and do not affect your income tax liability.

**What is the effect of RFBs?**

The RFB amount is used to determine eligibility to certain income-tested concessions and/or liability to income-tested surcharges eg. Medicare levy surcharge, deductions for personal superannuation contributions, super co-contributions, Higher Education Loan Programme (HELP) repayments, child support obligations and eligibility to certain income-tested government benefits.

**How is the RFB calculated?**

Your RFB amount is calculated by multiplying the taxable value of your reportable benefits by a gross-up factor of 1.8692.

**ACTION REQUIRED**

The details of the reportable benefits provided to you during the FBT year ended 31 March 2009 are listed in the table below. Please check to ensure this is correct.

Benefit	Standard Category	Description	Reportable Taxable Value	RFB
Expense Payment	Domestic Spouse/Dependent Travel	Summary of Domestic Spouse/Dependent Travel	\$22,885.35	\$42,368.07
Expense Payment	Residential Telephone	Summary of Residential Phone costs	\$2,985.07	\$5,579.89
Expense Payment	Residential Telephone	Summary of Residential Phone costs	\$72.30	\$135.14
Expense Payment	Dedicated Data Lines	Summary of Dedicated Data Line costs	\$858.25	\$1,787.42
Car		CFR924	\$1,421.84	\$2,857.70
Car		CVH247	\$6,939.00	\$12,982.80
Total:			\$38,036.81	\$65,488.94

M&PS has assumed the benefits provided are not business related. If any portion of the benefits provided were business related, please complete the attached Expense Payment Benefit Declaration stating the business portion. This will reduce the value of the benefit for FBT purposes and lower your RFB amount.

#### Additional information for those provided with a motor vehicle benefit

M&PS has also assumed that any motor vehicle provided to you was available for private use for the full year. If the number of days the vehicle was not available for private use needs to be amended, or if the opening or closing odometer readings used to calculate annual mileage are incorrect, please complete the attached declarations. It is important to note that you must have records such as diary entries to substantiate your estimate of the number of days during the year, the car was not available for private use. It is important to note that if the vehicle is garaged at (or near) your place of residence, the legislation deems the vehicle to be available for private use even if you are away from home.

If the information attached is correct, no action is required. However if you wish to amend any of the information please complete the relevant declaration(s) and return to the M&PS Finance Manager by close of business 9 June 2009.

Additional information about Fringe Benefits Tax and its implications can be found on the following website: [http://mops/S\\_M\\_Menu/fbt\\_overview.html](http://mops/S_M_Menu/fbt_overview.html). Details on FBT disclosure requirements for employees can be found on the Australian Tax Office Website <http://www.ato.gov.au/content/downloads/IND6111&reportablefringe.pdf>.

If you have received reportable fringe benefits from more than one employer during the 2009 income year, it is your responsibility to determine your total fringe benefits before lodging your income tax return.

If you have any questions requiring further clarification please contact the FBT help line on 02 6215 3355.

Yours sincerely

Finance Manager  
Ministerial and Parliamentary Services  
25 May 2009