

ACCOUNTING ADVISORS

SELF ASSESSMENT CHECKLIST

FY 2020-2021



FRINGE
BENEFIT
TAX





2021: ASSESS YOUR LEVEL OF FBT RISK

COVID-19 has had a significant impact on the Fringe Benefits Tax (FBT) implications for the 2020-21 FBT year. With 31 March looming, now is the time to consider these implications.

We have prepared a checklist to get you started on considering the FBT implications for the 2021 FBT year. We have also included the usual non-COVID-19 risk areas for you to consider.



WORK-FROM-HOME EXPENSES

Q: Has your organisation provided employees with items to allow them to work from home?

YES **NO** **N/A**

Common items provided include: laptops, monitors, mouse, keyboards, stationery and computer consumables, telephone or mobile phone reimbursements, internet access or reimbursements of home internet.

COMMENTS:

Q: Is your organisation reviewing all provision of work-from home benefits to consider the FBT implications?

YES **NO** **N/A**

FBT may not apply where the items have 100% business use, or the items are minor benefits under \$300 and provided on an infrequent or irregular basis. We recommend that you document such a basis where applicable.

COMMENTS:



LIVING EXPENSES BECAUSE OF RESTRICTIONS

Q: Is your organisation engaging persons who are not living at their usual place of residence and paying for some of their living expenses?

YES NO N/A

Q: Has your organisation identified those persons who cannot travel home or have travelled home and incurred additional expenses because of restrictions imposed by COVID-19?

YES NO N/A

Q: Have you considered whether the expenditure amounts to emergency assistance under the FBT law?

YES NO N/A

If yes, an FBT exemption may apply. Typical examples where emergency assistance is provided include:

- Flights and travel expenses home
- Car hire and transport expenses
- Temporary accommodation and food expenses
- Self-isolation or quarantine expenses.

COMMENTS:



CARS

Q: Have you considered whether an employer provided vehicle was garaged at some time at an employee's home because of COVID-19 during the 1 April 2020 to 31 March 2021 period, and the FBT implications?

YES NO N/A

Where a car is garaged at an employee's home this may result in a fringe benefit. Any FBT may be reduced where you use the operating cost method (including the requirement to keep valid log books) and keep odometer records.

COMMENTS:





PROTECTIVE ITEMS

Q: Has your organisation paid for protective items for employees to protect them from contracting COVID-19 while at work?

YES NO N/A

These items may include: gloves, masks, sanitisers and antibacterial spray.

Where these items are considered to have been provided as emergency assistance under the FBT law, they will be exempt from FBT.

Also, where these items have been provided because of the type of work, no FBT arises.

For example, work such as medical, cleaning, retail, café and restaurant, hairdressing, and beauticians.

COMMENTS:



CANCELLED EVENTS

Q: Did your organisation have costs for cancelled events during the 1 April 2020 to 31 March 2021 period?

YES NO N/A

FBT will not apply where the employees did not get to attend the event; and where the arrangement was between you and the event organisers.

FBT will apply where the employee paid for the cancelled event and you reimbursed the employee (unless an exemption or reduction applies, such as the minor benefit exemption or the otherwise deductible rule).

COMMENTS:

OTHER RISK AREAS (NON-COVID-19)



TRAVEL VERSUS LIVING AWAY FROM HOME (LAFH)

Q: Is your organisation paying allowances/expenses or reimbursing expenses for stays overnight in relation to travel (e.g. accommodation, meals and incidentals)?

YES NO N/A

When an employee is considered to be LAFH, rather than travelling, there may be FBT implications. A third consideration is whether the employee has relocated, which may also be subject to FBT but has different considerations to be made. Please also refer to 'living expenses because of restrictions' in relation to COVID-19 impacts.

COMMENTS:



MEAL ENTERTAINMENT (NOT-FOR-PROFITS)

Q: Is your organisation FBT exempt, and does the organisation provide employees with meal entertainment cards?

YES NO N/A

Q: If yes, has your organisation taken steps to consider the impact of the Australian Taxation Office compliance concession on takeaway meals in relation to exempt meal entertainment benefits for the year, in relation to COVID-19 impacts (e.g. where restaurants were closed and providing takeaway only meals)?

YES NO N/A

COMMENTS:



ENTERTAINMENT

Q: Have you provided food or drink or recreation to employees?

YES NO N/A

Q: If yes, have you considered whether this is entertainment and the FBT implications?

YES NO N/A

To determine whether food and drink amount to entertainment, it is necessary to consider why it was provided, what was provided, and when and where it was provided. These principles are used to determine whether the food and drink provided has amounted to meal entertainment and, therefore, potentially subject to FBT or not.

COMMENTS:



BENEFITS PROVIDED TO CONTRACTORS

Q: Does your organisation engage contractors and provide fringe benefits to the contractors?

YES NO N/A

Where a contractor is considered an employee for FBT purposes, any benefits provided to that contractor may be subject to FBT.

COMMENTS:

WANT TO DISCUSS YOUR FBT NEEDS?

CONTACT US ON 1300 731 826

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