

Taxation Factsheet 15 – Reportable Fringe Benefit Amounts

Overview

This fact sheet has been developed to outline the details of Reportable Fringe Benefits Amounts (RFBA).

Reportable Fringe Benefits Amounts

RFBA are reported on an employee's Income Statement if the total taxable value of all reportable fringe benefits for the employee exceeds \$2,000.

Common Types of Fringe Benefits include:

- > **Car fringe benefits** arise when an employer allows you to use their car for private use. An example is travelling between home and work.
- > **Expense payment fringe benefits** arise when an employer pays for, or reimburses, an expense *incurred* by an employee. Where the employee would have been entitled to a personal income tax deduction if they had not been reimbursed, or had the expense paid for by their employer, the 'otherwise deductible' rule may apply to reduce the taxable value or reduce it to nil. Common examples of expenses which may be 'otherwise deductible' include the reimbursement of work related calls on a private telephone account (refer [Tax Fact Sheet 33 - FBT and claiming work related mobile, landline and internet](#)), conference or travel costs for work purposes and some fee paying university courses.
- > **Loan fringe benefits** may arise when an employer gives an interest free or low interest loan to an employee. Common examples include salary overpayments and employee advances.
- > **Salary sacrificed benefits** arise from salary packaging benefits which are not otherwise deductible or exempt. Examples include mortgage repayments, health insurance, Maxxia living expenses card.

For further information, refer to the [Australian Taxation Office \(ATO\)](#) website.

How the RFBA is calculated (Grossed-up Taxable Value)

The taxable value of fringe benefits provided during the 2021/22 FBT year is 'grossed up' by an amount of 1.8868. For example, a fringe benefit with a taxable value of \$2,000.01 becomes a RFBA of $\$2,000.01 \times 1.8868 = \$3,773$.

"Grossing up" increases the taxable value of a benefit to reflect the gross salary an employee would have to earn at the highest marginal tax rate, including the Medicare levy, to purchase the benefit using after-tax dollars. Therefore, if an employee salary packaged \$9,010 of fringe benefits during the 2021/22 FBT year, the grossed-up taxable value that would appear on their Income Statement would be \$17,000.

Not all fringe benefits are reportable

Some fringe benefits are excluded and are not reported on your Income Statement; although your employer may still have to pay FBT on these benefits.

Excluded fringe benefits include:

- > Meal Entertainment - provided as food and drink and not provided via salary sacrifice.

- > Car parking fringe benefits.
- > Remote area residential fuel, housing or holiday transport.

RFBA relating to meal entertainment and entertainment facility leasing benefits provided to you under a salary sacrifice arrangement from 1 April 2016 will be reported on your Income Statement. This means, if you already salary package \$17,000 of other grossed up benefits, the grossed up value of these benefits will also be added to that figure (e.g. you may now have \$22,000 of grossed up benefits recorded as RFBA).

What impact does a RFBA have?

The RFBA must be recorded on the employee's Income Statement, and disclosed in the employee's income tax return. It is not subject to income tax for the employee. It is, however, included in a number of Commonwealth Government income tests related to:

- Medicare levy surcharge
- Deduction for personal superannuation contributions
- Entitlement to certain income-tested government benefits, such as Family Tax Benefits
- Higher Education Loan Programme (HELP) repayments
- Child support obligations
- Government super co-contribution
- Various tax offsets

What if you work across SA Health during the FBT year?

If you salary packaged or were provided with fringe benefits in multiple Local Health Networks or in a mixture of LHNs or SA Ambulance Service and also the Department for Health and Wellbeing (DHW) during the 2021/22 FBT year, you may receive one or more payment summaries. They will report the RFBA if the combined taxable amount exceeds \$2,000.

Where you are:

Working for one or multiple LHNs or SAAS/entities eligible for the \$17,000 capped FBT exemption	Income Statement will include a "Y" flag as you only worked in an entity eligible for the capped FBT exemption	You will receive one Income Statement if the combined taxable value of benefits exceeds \$2,000.
Working for DHW or you were not eligible for the FBT cap in another entity for the full period	Income Statement will include a "N" flag as you only worked in an entity not eligible for the capped FBT exemption or you were not performing eligible duties when you were provided with those fringe benefits	You will receive Income Statement if the combined taxable value of benefits exceeds \$2,000.
Working in both a LHN or SAAS/eligible entity and the DHW (non-eligible entity)	One Income Statement will include a "Y" flag for the amount when you worked in an eligible entity AND the balance will have a "N" flag as you also worked in an entity not eligible for the capped FBT exemption	You will receive two Income Statement if the combined taxable value of benefits exceeds \$2,000.

Need more information?

Visit the [Reportable Fringe Benefits facts for employees](#) on the ATO website for further detailed information. **Please seek independent financial advice if you want to know how your RFBA affects your own personal financial situation.**

Important Disclaimer

The information contained in this fact sheet is intended only as a general guide and only for the purposes of SA Health. It should not be regarded as advice and should not be relied upon by any other party. No responsibility whatsoever is taken should another party seek to rely on the information contained herein. Professional taxation advice should be sought.