



Take full advantage

# PACK FACT

## REPORTABLE FRINGE BENEFITS ON YOUR PAYMENT SUMMARY

Employers are required to record the value of Fringe Benefits provided to each of their employees. This is referred to as your Reportable Fringe Benefits (RFB) and may appear on your Payment Summary (formerly called your Group Certificate) each year.

The amount that appears on your Payment Summary will be for the Fringe Benefits Tax (FBT) year ending 31 March.

For example, the amount recorded on your Payment Summary for the financial year ended 30 June 2002 will be for payments received in the Fringe Benefits Tax year ended 31 March 2002.

Reportable Fringe Benefits include:

- Mortgage Payments
- Credit Card Repayments
- Health Insurance
- Rental Payments
- School Fees
- Gas, Electricity or Telephone bills

Your Reportable Fringe Benefits amount, is calculated by using the following formula:

$$\text{Reportable Fringe Benefits} = \frac{\text{Amount of Benefit}}{(1 - \text{FBT Rate})}$$

The current FBT Rate is 46.5%

$$\text{Reportable Fringe Benefits} = \frac{\text{Amount of Benefit}}{(1 - 0.465)}$$

The amount recorded in the Reportable Fringe Benefits Tax box is **not** used to calculate your Income Tax Liability. However, it can be included in a number of income tests relating to government benefits and obligations such as Child Support payments, Medicare Levy, HECS repayments and Superannuation Surcharge.

PLEASE NOTE: Where an individual's fringe benefits amount is \$1,000 or less there is no requirement for the employer to report the amount on the employee's payment summary.

### Example:

A Hospital employee on \$30,000 salary per year, Salary Packages \$8,755 towards their mortgage. The following amount would appear on their Payment Summary

$$\text{Gross Income} = \$21,245 \quad \text{Reportable Fringe Benefits} = \$17,000 \quad \Rightarrow \$9,094$$

$$\frac{\quad}{1 - 0.465}$$

Payment Summary for year ending 30 June 2002	
FBT year 1 April to 31 March	
Reportable fringe benefits amount	<b>17,000</b>
Payee's date of birth	
Payee's given names	
State	Postcode

How Reportable Fringe Benefits is displayed on your Payment Summary.

### DISCLAIMER

The information supplied on this page is provided as an information guide only. It contains Remunerator (Aust) Pty Ltd ACN 074 423 966 interpretation of the current Tax Legislation which is subject to change at any time without notice and should not be relied on as a substitute for legal or other professional advice. Example uses income tax rates effective 1<sup>st</sup> July 2006.

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