



Fringe Benefits Tax Policy

Reference Number:	3.10
Type:	Council
Category:	Corporate Services
Relevant Community Plan Outcome:	<ul style="list-style-type: none"> Be bold and innovative in our practices, leadership and decision making. Adaptive and sustainable management of the City's finances.
Responsible Officer(s):	Manager Financial Services
First Issued/Approved:	July 1996
Minutes Reference:	CoS 4/02/2019, Item 3.6
Last Reviewed:	February 2019
Next Review Due:	February 2021
Applicable Legislation:	Local Government Act 1999 Local Government (Financial Management) Regulations 2011 Fringe Benefits Tax Act 1986 Fringe Benefits Tax Assessment Act 1986 Fringe Benefits Tax Regulations 1992
Related Policies:	Motor vehicle policy Salary Sacrifice Policy
Related Procedures:	

1. Purpose

Fringe Benefits Tax (FBT) is a tax paid on benefits in place of, or in addition to, salary or wages of employees. This policy seeks to ensure compliance with FBT obligations under Australian tax law.

2. Scope

This policy covers Council's obligations under Australian tax law with regard to FBT.

3. Policy Statement

FBT is paid on benefits in place of, or in addition to, salary or wages of employees.

Total fringe benefits provided is also required to be reported on employee's annual PAYG payment summaries. As the FBT year is not aligned with the financial year, the benefits reported is for the preceding FBT year, which runs from 1 April to 31 March.

Council will comply with the FBT legislative requirements and the Fringe Benefits Tax return is to be completed in accordance with the Fringe Benefits Tax Act for approval by the Manager Financial Services. An analysis of the Fringe Benefits Tax Return shall be prepared for consideration by the Manager Financial Services before 31 May each year.

Adequate records will be maintained to support Council's Fringe Benefits declaration for a period of no less than 7 years.

4. **Definitions**

List all key terms and acronyms that are used in the policy, and their definition.

Key Term – Acronym	Definition
FBT	Fringe Benefits Tax
PAYG	Pay As You Go (Tax)