

# FACT SHEET:

## FBT and staff training

### Background

The provision by FedUni of free education and training ('training') to staff members and associates, either in part or in full, either in-house or through third parties, is considered under the Fringe Benefits Tax (FBT) legislation as a fringe benefit provided in relation to the staff members employment and requires the University to meet FBT compliance obligations. These obligations may at times give rise to a FBT liability on the University.

Where the 'training' undertaken by a staff member has a direct correlation to their current role and/or their ability to earn future assessable income, a number of options may be available for FedUni to decrease or exempt (set to zero) the amount of FBT which could be levied on the benefit.

Support for 'training' which is not directly linked to a staff member's current role or their ability to earn assessable income may attract FBT without the ability for FedUni to access an exemption or reduction in the tax.

### FBT Exemptions & reductions

There are a number of scenarios in which FedUni staff can be provided support for 'training' where FBT on the 'training' fees can either be exempted or minimised.

These scenarios deal with both Higher Education and VET 'training', FedUni in-house programs and payment of and/or reimbursement of course and CSP/HECS fees at other institutions and payment of ATO deferred HECS Debts.

All of these scenarios have different FBT consequences, some costly and some not, the details of which are set out below.

### Training value less than or equal to \$299.00 and not regularly or frequently provided

**Criteria:** A staff member undertakes 'training';

The University exempts, pays, reimburses or waives in full or in part the 'training' fees or sanctions the provision of the training or study;

The fee is NOT a Student Contribution Amount (CMA), generally known as HECS fees, for a Commonwealth Supported Place;

The value of the benefit is less than or equal to \$299.00;

The benefit is provided infrequently (less than 4 times per year);

The benefit is provided irregularly (e.g. not on a fixed periodic basis such as weekly or not monthly);

The Benefit is provided by either FedUni or an external provider.

**FBT treatment:** An exemption from FBT applies, as a minor benefit – no declaration required

### Training value greater than \$299.00-Otherwise Deductible Rule-FBT declaration

**Criteria:** A staff member undertakes training or a course;

The University exempts, pays, reimburses or waives in full or in part the 'training' fees or sanctions the provision of the training or study;

The value of the benefit is \$300.00 or greater;

The 'training' must either contribute to their ability to undertake their current role in an effective manner and lead to career enrichment, or is able to be classified as self-education or be demonstrated that the qualification can lead to employment, thereby making the cost eligible as a personal income tax deduction;

The fee is NOT a Student Contribution Amount (CMA), generally known as HECS fees, for a Commonwealth Supported Place;

Staff member receiving the 'training' signs an ATO declaration stating that if they had paid for the 'training' and not the Uni, they could have claimed the 'training' cost as a personal income tax deduction;

The Benefit can be provided by either FedUni or an external provider.

**FBT treatment:** An exemption from FBT applies – a declaration is required to be provided by the staff member to the University

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## FBT and staff training

### In-house benefits (CSP/HECS based courses) – Fees less than or equal to \$1,333.00

**Criteria:** A staff member undertakes 'training';

The person must be a permanent academic staff member, professional staff member or general staff member with specific training needs;

The staff member's employment must be on a fixed term contract of 12mths or more and be employed with minimum hours greater than 50% of a full time equivalent;

The study should be consistent with the University's Staff Development policy;

The area of study selected by staff should contribute to their ability to undertake the current role in an effective manner and lead to career enrichment;

The University exempts, pays, reimburses or waives in full or in part the course fees or sanctions the provision of the study;

The value of the fees is less than or equal to \$1,333.00 per FBT year (Apr-Mar);

The fee is a Student Contribution Amount (CMA), generally known as HECS fees, for a Commonwealth Supported Place;

The course is with either FedUni or another University established by a State of Victoria Act of Parliament;

The staff member must not be undertaking paid study leave for the course for which the exemption is provided;

The staff member must meet the normal eligibility requirements for enrolment in the course;

Staff provided a course fee exemption must still meet and comply with all DEEWR requirements including submission of a Commonwealth Assistance Form (CAF) and any study undertaken will consume the staff members Student Learning Entitlement (SLE); If the staff member is undertaking more than one course of study, FedUni reserves the right to select to which course the exemption is applied;

A notification signed by the Dean of the Faculty in which the staff member is employed, detailing the fee exemption must be forwarded to the Manager, Student Fees, Mt.Helen a minimum of two full business weeks prior to the census date for the semester, the notification must include the staff members name, payroll number, student number and course code;

A copy of the notification must be provided to the FedUni Taxation Officer;

Separate notification must be provided for each semester for ongoing study.

**FBT treatment:** An exemption from FBT applies

Finance to be provided staff identification and costing information

# FACT SHEET: FBT and staff training

## In-house benefits (HECS based courses) – Fees greater than \$1,333.00

**Criteria:** A staff member undertakes 'training';

The person must be a permanent academic staff member, professional staff member or general staff member with specific 'training' needs;

The staff member's employment must be on a fixed term contract of 12mths or more and be employed with minimum hours greater than 50% of a full time equivalent;

The study should be consistent with the University's Staff Development policy;

The area of study selected by staff should contribute to their ability to undertake the current role in an effective manner and lead to career enrichment;

The University exempts, pays, reimburses or waives in full or in part the course fees or sanctions the provision of the study;

The value of the fees is greater than to \$1,333.00 per FBT year (Apr-Mar);

The fee is a Student Contribution Amount (CMA), generally known as HECS fees, for a Commonwealth Supported Place;

The course is with either FedUni or another University established by a State of Victoria Act of Parliament;

The staff member must not be undertaking paid study leave for the course the exemption is provided;

The staff member must meet the normal eligibility requirements for enrolment in the course;

Staff provided a course fee exemption must still meet and comply with all DEEWR requirements including submission of a Commonwealth Assistance Form (CAF) and any study undertaken will consume the staff members Student Learning Entitlement (SLE);

If the staff member is undertaking more than one course of study, FedUni reserves the right to select to which course the exemption is applied;

Notification signed by the Dean of the Faculty in which the staff member is employed, detailing the fee exemption must be forwarded to the Manager, Student Fees, Mt.Helen a minimum of two full business weeks prior to the census date for the semester, the notification must include the staff members name, payroll number, student number and course code;

A copy of the notification must be provided to the FedUni Taxation Officer;

Separate notification must be provided for each semester for ongoing study.

**FBT treatment:** An exemption from FBT applies for the first \$1,333.00  
FBT is payable on the value of fees greater than \$1,333.00  
To access the exemption, Finance must be provided staff identification and costing information

# FACT SHEET: FBT and staff training

## Deferred Student Contribution Amounts (Deferred HECS Fees) Victorian based University

**Criteria:** A staff member undertakes 'training';

The course is with a University established in the State of Victoria;

The 'training' was consistent with the University's Staff Development policy;

The area of study selected by staff contributed to their ability to undertake the current role in an effective manner and lead to career enrichment;

The fee is a Student Contribution Amount (CMA), generally known as HECS fees, for a Commonwealth Supported Place and was deferred to the ATO;

The University in full or in part pays the deferred fees or reimburses the staff member for the deferred:

**FBT treatment:** No exemption or reduction of FBT applies  
FBT applies in full to the entire fees  
To access the exemption, Finance must be provided staff identification and costing information

## No FBT exemptions or reductions Interstate University HECS based courses of any value

**Criteria:** A staff member undertakes 'training';

The study should be consistent with the University's Staff Development policy;

The area of study selected by staff should contribute to their ability to undertake the current role in an effective manner and lead to career enrichment;

The University in full or in part pays, reimburses the course fees or sanctions the provision of the study:

The fee is a Student Contribution Amount (CMA), generally known as HECS fees, for a Commonwealth Supported Place;

The course is with a University established in an Australian State or Territory other than Victoria.

**FBT treatment:** No exemption or reduction of FBT applies  
FBT applies in full to the entire fees  
Finance to be provided staff identification and costing information

## Training provided which does not relate to a staff members current role

**Criteria:** A staff member undertakes training or a course;

The University exempts, pays, reimburses or waives in full or in part the course fees or sanctions the provision of the training or study;

The value of the benefit is \$300.00 or greater;

The training DOES NOT contribute to the staff member's ability to undertake their current role in an effective manner or lead to career enrichment, or IS NOT able to be classified as self-education or it is NOT ABLE to be demonstrated that the qualification can lead to employment, thereby making the cost ineligible as a personal income tax deduction;

The Benefit is provided by either FedUni or an external provider.

**FBT treatment:** No exemption or reduction of FBT applies  
FBT applies in full to the entire fees  
Finance to be provided staff identification and costing information

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