

# Fringe Benefits Tax (FBT) in Australia

## What is a Fringe Benefit?

Many countries have their own definitions and handling of fringe benefits. In Australia, a fringe benefit is a non-salary benefit provided to a worker (or their associate) in connection with their engagement. These benefits are typically personal in nature and not part of regular wages.

## What is Fringe Benefits Tax (FBT)?

FBT is a tax paid by a company on certain benefits provided to workers outside of regular wages. FBT is separate from income tax and generally applies when the benefit is at least partially for personal use.

TCWGlobal will review each Australia expense to determine if it meets the exemption criteria listed in the charts below. If an expense incurs FBT, this will be invoiced separately.

**If you have any questions surrounding potential Fringe Benefits for your workers, or the potential of a Fringe Benefit Tax, reach out to [hello\\_australia@tcwglobal.com](mailto:hello_australia@tcwglobal.com) so our team can assist!**

## Examples of Common Fringe Benefits

Category	Typically Not Taxable	Typically Taxable
Education	<ul style="list-style-type: none"><li>- Courses directly related to current job</li><li>- Required certifications</li><li>- Relevant materials</li></ul>	<ul style="list-style-type: none"><li>- Courses for unrelated skills or new careers</li></ul>
Equipment	<ul style="list-style-type: none"><li>- Laptops, phones, desks used primarily for work</li><li>- Home office setup for work use</li></ul>	<ul style="list-style-type: none"><li>- Personal use of equipment</li><li>- High-end office furniture</li><li>- TVs, gaming consoles, fitness gear</li></ul>
Entertainment	<ul style="list-style-type: none"><li>- Meals during training or business travel</li><li>- Working lunches at the workplace</li></ul>	<ul style="list-style-type: none"><li>- Parties, celebrations</li><li>- Tickets to movies, concerts, sporting events</li><li>- Corporate hospitality</li></ul>
Travel	<ul style="list-style-type: none"><li>- Work-related interstate/international travel</li><li>- Conference attendance</li><li>- Site visits</li></ul>	<ul style="list-style-type: none"><li>- Holiday or family travel</li><li>- Private days added to business trips</li><li>- Daily commute</li></ul>
Parking	<ul style="list-style-type: none"><li>- Parking for off-site meetings</li><li>- Remote parking</li><li>- Parking provided by small businesses</li></ul>	<ul style="list-style-type: none"><li>- All-day parking near the workplace</li><li>- Reserved parking</li><li>- Reimbursed daily parking for commuters</li></ul>

# Other Considerations

- **Gifts & Gift Cards:** Generally subject to FBT but may be exempt if infrequent and under \$300 (minor benefits exemption).
- **Work-Related Items:** Laptops, phones, briefcases, etc., may be exempt if primarily used for work purposes.
- **Meal Entertainment:** Offsite meals and social functions may attract FBT unless it is part of business travel or training. This includes dinners, events, or social networking with company clients.

## FBT Exemptions Summary

Exemption	Description
Minor Benefits	Provided infrequently and valued under \$300 (including GST)
Otherwise, Deductible Rule	If the worker could personally claim the expense as a deduction, it may be exempt
Work-Related Items	If primarily used for work (e.g. laptops, phones, briefcases)
Small Business Car Parking	Applies if the company has turnover under \$50m and parking is not in a commercial facility
In-House Benefits	Meals, coffee, snacks provided on work premises during work hours