**Employee Declaration**

 **Expense payment, Property and Residual Fringe Benefits**

* This page – notes on the requirement for and completion of an Employee Declaration in respect of Expense payment, Property and Residual fringe benefits
* Next page – Employee declaration to complete

To ensure FBT compliance, it is necessary that an Employee Declaration is completed in relation to certain expenses and reimbursements approved in Concur (e.g. payments for employees’ usage of mobile data, training courses, etc).

A completed declaration proves and substantiates any reduction in FBT taxable value where the benefit provided would be otherwise deductible to the employee[[1]](#footnote-1). E.g. if a mobile device is for 50% business, then the personal proportion of 50% of the expense would be subject to FBT. If the usage of mobile device is wholly for business purposes, then the FBT taxable value of the benefit and consequently the FBT on the mobile expense is reduced to nil.

**Format of the Employee Declaration**

The Employee Declaration must contain, at a minimum, the following information:

1. Name of the employee who received the benefit
2. Dates (inclusive) on which the benefit was provided during the FBT year
3. The nature of the benefit provided (expense reimbursement, property, and / or service obtained), and the determined business percentage for which the employee would have been entitled to claim an income tax deduction had they incurred the expenses / cost of the property and / or service received at market value.

Failure to complete an Employee Declaration as outlined above could result in FBT where the expense may otherwise have been deductible.

**Employee Declaration**

Name: *[Insert]*

Department: *[Insert]*

I, [*Insert name]*, declare that *[Insert detail of expenses, e.g. Optus bill, broker training course]*, were provided to me by or on behalf of my employer during the period from:

*[Insert Day / Month / Year]* to *[Day / Month / Year]*

and the expenses were incurred by me for the following purpose/s:

*[Insert sufficient information to demonstrate the extent to which the expenses were incurred by you for the purposes of earning your assessable income.)*

I also declare that the percentage of those expenses incurred in earning my assessable income (i.e. work usage rate) was *[Insert %]* %.

I understand that any work expenses reimbursed / cost of property and/or services provided by my employer are not deductible in my personal income tax return.

Signature:

Date:

1. The reduction of FBT taxable value under the otherwise deductible rule is availed through ss 24, 44 or 52 of the Fringe Benefits Tax Assessment Act 1986 for expense payment fringe benefit, property fringe benefit and residual fringe benefit, respectively. [↑](#footnote-ref-1)