

Monash University Procedure

Procedure Title	Fringe Benefits Tax - Housing Procedures (Australia only)
Parent Policy	Fringe Benefits Tax (Australia) Policy
Date Effective	10-July-2015
Review Date	20-September-2011
Procedure Owner	Divisional Director, Corporate Finance
Category	Operational Procedure
Version Number	2.0
Content Enquiries	Finance Policy
Scope	All Australian campuses All Australian staff members
Purpose	To ensure the University complies with Australian Fringe Benefits Tax (FBT) legislation and rulings.
PROCEDURE STATEMENT	

A housing fringe benefit will arise where an employee is provided with the right to use a unit of accommodation and that unit of accommodation is the usual place of residence of the employee. Fringe benefits tax will be incurred on the taxable value of the housing benefit.

Taxable Value of the Benefit

The taxable value of the benefit provided is calculated as the current market rental value of the accommodation less any contributions, i.e. rent, paid by the employee.

The basis for calculating the taxable value is determined by the first year's market rental value obtained from an estate agent or independent property valuer. The first year's market value must then be recalculated annually using the CPI factor determined by the ATO.

The first year's market value can be used for obtaining the annual CPI market value for a maximum of up to nine consecutive years.

Responsibility

Corporate Finance Tax Team

The market rental value of accommodation must be obtained from an estate agent or independent property valuer every 10 years.

If the accommodation reduces or increases in value by at least 10% during this period, then a new valuation must be obtained.

Responsibility

Monash Residential Services

Occupancy Status Report

Monash University Procedure

An Occupancy Status Report for each employee receiving housing fringe benefits must be completed annually for the FBT year. This should show details of:

- Market value of accommodation
- Valuation date
- Occupancy dates
- Employee contributions

Responsibility

Monash Residential Services

Employee Rent Deduction Report

A Payroll report showing each employee's rent deductions for the relevant wage types must be provided to the Tax Team annually for the FBT year.

Responsibility

Monash HR

Responsibility for implementation	Senior Vice-President Finance & CFD Executive Director, Corporate Finance
Status	Revised
Approval Body	Name: Vice-President (Finance) Date: 10-July-2015 Author: Taxation Manager
Definitions	ATO: Australian Taxation Office CPI: Consumer Price Index FBT: Fringe Benefits Tax FBT Year: 1 April to 31 March Occupancy Status Report: a report provided detailing employees in University provided rental accommodation for the FBT Year Taxable value: Value of the fringe benefit before it is grossed up
Legislation Mandating Compliance	Fringe Benefits Tax Act 1986 Fringe Benefits Tax Assessment Act 1986
Related Policies	Global Taxation Policy Corporate Credit Card Policy Reimbursements Policy
Related Documents	