Fringe Benefits Tax (FBT):
Study Courses, Seminars and Workshops

This bulletin outlines the Fringe Benefits Tax (FBT) impact of study courses, seminars and workshops undertaken by staff members and paid for by the University.

**HECS-HELP**
Upfront HECS-HELP course fees as well as HECS-HELP loan repayments will always attract FBT, as these fees are not deductible to the individual. Therefore they must be coded to account code 3401. There are no exceptions to this rule.

**FEE-HELP**
There will be no FBT payable on upfront course fees paid on behalf of a staff member under FEE-HELP where the otherwise deductible rule applies, and the staff member completes a 100% business use declaration; all such fees can therefore be coded to account code 3400. For FEE-HELP fees paid where the otherwise rule does NOT apply, FBT is incurred and the fees must be coded to account code 3401.

Please note however, that all FEE-HELP loans are collectable as accumulated HELP debts, therefore any loan repayment under these schemes on behalf of a staff member will attract FBT.

**Full Fee Paying and Training Courses, Seminars and Workshops**
Full fee paying and training courses, seminars and workshops however may or may not be subject to FBT depending on whether the relevant fee would have been deductible to the individual if they were to claim it in their individual tax return. This is referred to as the "otherwise deductible rule".

The otherwise deductible rule states -

*The taxable value of a fringe benefit is reduced by the amount of the once off “tax deduction” that the employee would have been entitled to had they paid the amount themselves.*

In order for the otherwise deductible rule to apply, there must be a nexus between the income earning activities of the individual and the course, seminar or workshop. Thus, if an individual undertakes a course, seminar or workshop where one of the following conditions is met, then the relevant fees will qualify under the otherwise deductible rule:

- The course, seminar or workshop improves or maintains the skills or knowledge required for current work activities.
- There is a direct connection between the course, seminar or workshop and the current work activities as the course, seminar or workshop will lead to, or is likely to lead to, increased income from current work activities.
- Other circumstances exist where there is a direct connection between the course, seminar or workshop and current work activities.

Where the otherwise deductible rule applies and the staff member completes a 100% business use declaration, there will be no FBT payable and these fees can be coded to account code 3400.

Where the otherwise deductible rule does not apply, FBT will be payable and fees must be coded to account code 3401. Please note that even if Edith Cowan University is the provider of the course under this scenario (i.e. It is an in-house benefit), and the fees are waived, FBT will still be payable. Please contact the Finance and Business Services Centre via the Tax/Treasury Accountant for further information, as there are some concessions available for in-house benefits.