

FBT and Christmas Parties

The Tax Office has released a fact sheet containing information for employers about the possible fringe benefits tax (FBT) implications of providing Christmas parties for their employees and associates.

Taxpaying body

If the employer is not a tax-exempt organisation and does not use either the 50/50 split method or the 12-week register method for meal entertainment, the fact sheet offers the following explanations.

Exempt property benefits — the costs (such as food and drink) associated with Christmas parties are exempt from FBT if they are provided on a working day on the employer's business premises and consumed by current employees. A taxable fringe benefit will arise in respect of an associate of an employee who attends the party if not otherwise exempt under the minor benefits exemption.

Exempt benefits — minor benefits — a Christmas party may be a minor benefit and exempt if the cost of the party is less than \$100 per employee and certain conditions are met. The cost per employee includes the cost for any of their associates attending the party.

Christmas gifts — all benefits associated with the Christmas function should be grouped to determine whether the total value meets or exceeds the \$100 minor benefits threshold, eg the cost of gifts such as bottles of wine and hampers given at the function would be included in the total cost of the party.

Tax deductibility — the cost of providing a Christmas party is income tax deductible only to the extent that it is subject to FBT. Therefore, any costs that are exempt from FBT (ie exempt minor benefits and exempt property benefits) cannot be claimed as an income tax deduction.

Jennifer Flanagan

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Quality Part-Time Work



Part-time work is one of the most common employment arrangements that people use to balance their work and family needs.

Almost a third of all employed Victorians work part-time, with many more women than men employed in part-time jobs. In fact, for every one man working part-time, three women work part-time.

Just under half of all employees in retail trade work part-time and with 24 per cent of Victorian part-time employment, retail trade has the biggest share of part-timers across Victorian industry.

As part of the Victorian Government's support for helping people balance their work and family commitments, as well as to promote flexible and modern workplaces, Industrial Relations Victoria (I.R.V) has commenced a major research project into part-time work.

The project will pay particular attention to what makes for a 'quality' part-time job.

I.R.V. is currently seeking the views of employers who have part-time staff. People's opinions, ideas and experiences from a wide range of industry sectors will be combined with data on part-time work and literature about part-time employment.

The end result will be the development of case studies and best practice guidelines that will assist businesses to establish better quality part-time work arrangements.

On behalf of our members I have agreed to work with I.R.V on this project.

We need to know what Master Grocers' members think defines quality part-time employment in our industry. We would also like to know about any best practice examples of quality part-time work in the retail trade sector.

Please contact me if you would like to be involved, or contact Leonie Morgan at I.R.V. on 9651 9565.

For more information about the Quality Part-Time Work Project and other aspects of the Victorian Government's Work and Family agenda see www.irv.vic.gov.au/workandfamily

Jennifer Flanagan