

# Fact Sheet

## Salary packaging Entertainment Benefits

### Introduction

This AccessPay Fact Sheet is intended to provide guidance to employees about salary packaging Entertainment Benefits.

Entertainment Benefits refer to Meal Entertainment and Holiday Accommodation and Hire benefits that are able to be salary packaged in addition to the General Living Expense cap that is applicable to you. There is a \$5,000 'grossed-up' cap that applies to Entertainment Benefits, which equates to a salary packaging amount of \$2,650 per Fringe Benefits Tax ("FBT") year (1 April to 31 March). This equates to:

- \$50.96 per week
- \$101.92 per fortnight
- \$220.83 per month

From 1 April 2016, Entertainment Benefits are reportable on your PAYG payment summary, and may impact compulsory education debt repayments, certain government benefits, child support arrangements and your liability for the Medicare Levy surcharge.

### Example

Sophie earns \$55,000 per annum and salary packages \$15,900 per year towards General Living Expenses. If Sophie were to also salary package towards Entertainment Benefits, she would receive an additional saving, increasing her disposable income:

	General Living Expenses Only	General Living Expenses and Entertainment Benefits
Gross Salary	\$55,000	\$55,000
Salary Packaging:		
General Living Expenses	\$15,900	\$15,900
Entertainment Benefits	\$0	\$2,650
Taxable Income	\$39,100	\$36,450
Income Tax	\$4,623	\$3,752
Take Home Pay	\$34,477	\$32,699
Plus Salary Packaging	\$15,900	\$18,550
Disposable Income	\$50,377	\$51,248
Additional Savings from Entertainment Benefits		\$872

By salary packaging towards Entertainment Benefits, Sophie increases her disposable income by over \$870 per FBT year.

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Benefits that you can salary package under Entertainment Benefits fall into two categories:

- Meal Entertainment
- Holiday Accommodation and Hire

You are likely to benefit from salary packaging Meal Entertainment if this is currently a part of your household budget or your lifestyle. If eating out is not something you do often, then salary packaging for Meal Entertainment may not be appropriate for you.

### **Meal Entertainment**

Meal Entertainment is defined as 'entertainment by food or drink' and can include:

- The cost of dine in meals and drinks at a restaurant, café or similar, which may include family and friends. The meal must be consumed on the premises where it was purchased.
- The cost of private catering, such as for a wedding or 21st birthday.

### **Holiday Accommodation and Hire**

This benefit relates to the cost of hiring or leasing a facility for your exclusive use for recreational purposes.

There must be exclusive possession to the facility (to the exclusion of others) being leased or hired. This means, for example, that if you were to hire a boat for a fishing charter whilst on holidays, it must be exclusively for you (and your family). A shared charter does not meet the requirements.

You must incur the cost whilst on holidays, or participating in an amusement, sport or leisure-time pursuit.

### **How to claim Entertainment Benefits through salary packaging**

#### **Entertainment Benefits Card**

The AccessPay Entertainment Benefits VISA Card functions like a debit card that can be accepted at eligible establishments for Entertainment Benefits. An Entertainment Benefits Card allows you to pay for dine in meals, accommodation, taxi travel or car hire with available funds placed on the card. You are not required to keep receipts when utilising an Entertainment Benefits Card.

For more information or to request an Entertainment Benefits Card, please contact AccessPay.

#### **Reimbursement**

Entertainment Benefits can be salary packaged as a reimbursement. That is, once you have incurred the cost, send AccessPay proof of your purchase (an invoice or receipt where relevant) along with your documents and instructions by scanning and emailing, faxing, or posting them.

You are able to claim expenses for up to 12 months after incurring the expense. If these purchases or claims have been claimed through a previous arrangement, we are unable to reimburse them again.

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### Frequently asked questions

#### Can I claim an expense incurred overseas?

Expenses incurred overseas can be claimed as an Entertainment Benefit, as it is still an expense incurred by you. Before you send receipts to AccessPay, please convert any foreign currency amounts to AUD\$.

#### Can I claim pre-paid discount vouchers?

Pre-paid discount vouchers (e.g. Scoopons, Groupons or similar) for meals or accommodation are able to be claimed. The meal must first have been consumed or the accommodation booked prior to submitting your claim. Proof of purchase, plus proof of use (e.g. \$0.00 receipt from restaurant showing coupon use or accommodation booking confirmation email) must be submitted with your claim.

### What can be claimed under Entertainment Benefits?

Can be claimed	Cannot be claimed
<ul style="list-style-type: none"><li>➤ Dine in meals (at restaurant, café, hotel etc)</li><li>➤ Private catering</li><li>➤ Private accommodation (at hotel, motel etc)</li><li>➤ Hire of private function room (e.g. for a wedding or birthday party)</li><li>➤ Hire of caravan or cabin</li><li>➤ Hire of marquee</li><li>➤ Car hire</li><li>➤ Taxi hire</li><li>➤ Private charter of boat or plane</li><li>➤ Cruises (dependant on organisational policy)</li><li>➤ Wholesale pre-packaged holidays (dependant on organisational policy) – additional supporting documentation required</li><li>➤ Meal vouchers (e.g. Scoopon, Groupon) – must be submitted with proof of use</li><li>➤ Pre-paid discount voucher for specific purpose (e.g. 1 week accommodation at specific hotel)</li><li>➤ Hire of jukebox</li></ul>	<ul style="list-style-type: none"><li>➤ Room service or mini-bar</li><li>➤ Self-catering expenses</li><li>➤ Groceries</li><li>➤ Bottle shop purchases</li><li>➤ Awards or fundraising dinners</li><li>➤ Dinner with other entertainment provided (e.g. theatre restaurant)</li><li>➤ Take away food</li><li>➤ Camping/caravan site fees</li><li>➤ Time share accommodation</li><li>➤ Commercial airline tickets</li><li>➤ Day tours</li><li>➤ School camps</li><li>➤ Pet boarding</li><li>➤ Gift cards/vouchers not for a specific purpose (e.g. Webjet voucher, Big4 Holiday Park card)</li><li>➤ Hire of band/DJ/MC</li><li>➤ Hire of movie over Netflix, iTunes, Foxtel etc</li><li>➤ Movie or theme park tickets</li><li>➤ Horse riding or similar</li></ul>

**Please note:** Information, advice or guidance provided in this fact sheet, is general in nature and provided without reference to your organisation policies or your circumstances. It is not and should not be considered to be organisational or personal advice to you. Please contact your accountant, tax agent or legal adviser to determine how the information in this fact sheet may apply to your circumstances. Alternatively you can contact AccessPay with any queries about how the information in this fact sheet may apply to your circumstances.