

Fact Sheet

2016 - Meal Entertainment and Holiday Accommodation Cap – FAQ's

(Rebatable)

What is the new cap for Entertainment Benefits?

The cap for Entertainment Benefits will be a 'gross up' of \$5,000 per FBT year and will apply from 1 April 2016. This cap is a combined amount for both Meal Entertainment and Holiday Accommodation benefits, now collectively referred to as 'Entertainment Benefits'. The cash amount able to be salary packaged will be between \$2,330 and \$2,550 per FBT year, depending on whether the expenses claimed are subject to GST or not.

Why are there potentially different amounts I can package for Entertainment Benefits?

The difference in packaging amounts for Entertainment Benefits is due to claims subject to GST having a higher 'gross up rate' than those that are not subject to GST.

This means that if you salary package Entertainment Benefit expenses incurred in Australia that are subject to GST, you will be able to salary package \$2,330 per FBT year. This will include funds on a Meal Entertainment Card.

If you salary package Entertainment Benefit expenses incurred overseas which are not subject to GST, you will be able to salary package \$2,550 per FBT year.

Can I pre-pay my Entertainment Benefit expenses prior to 31 March 2016?

Entertainment Benefits relating to Holiday Accommodation can be claimed after you have paid for the holiday, even if you haven't taken the holiday yet. This allows you to pay for your holiday and claim it prior to 31 March 2016, even if the holiday is not until later in the year.

Meal Entertainment benefits cannot be pre-paid and claimed through salary packaging. For the benefit to be salary packaged as Meal Entertainment, the meal needs to have been consumed.

How can I maximise my Entertainment Benefit claims prior to 31 March 2016?

If you have any Meal Entertainment or Holiday Accommodation claims we recommend that you salary package these prior to 31 March 2016 (subject to your organisation's policy). To maximise your Entertainment benefits AccessPay recommend:

- If you have a balance in your salary packaging account for Entertainment Benefits please submit your claims prior to 12 February 2016 in order to ensure that they are processed in full prior to the 31 March 2016.
- That where applicable, and subject to your employer's policy, you increase your reimbursement amount for supporting documentation already held by AccessPay to ensure it is fully reimbursed by 31 March 2016. Please note that we will not automatically increase your reimbursement amount. If you would like to know the balance of your outstanding supporting documentation this can be found in your Payment Notification Email or through your online account accessed from www.accesspay.com.au
- Please ensure you spend any funds on your Meal Entertainment Card prior to 31 March 2016.

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Can I place additional funds on my Meal Entertainment Card now that I can use after 1 April 2016?

Any funds on your Meal Entertainment Card that carry forward to 1 April 2016 will reduce the amount you can package to Entertainment Benefits until 31 March 2017. In order to maximise your benefit, AccessPay recommend you reduce your balance to \$0.00 by 31 March 2016.

What will happen to any balance on my Meal Entertainment Card at 1 April 2016?

You will not lose any balance on your Meal Entertainment Card. If your Card has a balance on 31 March 2016 in excess of \$2,330, the excess will be returned to your AccessPay Salary Packaging account. AccessPay will then contact you to discuss your options to maximise your benefit. If your balance is below \$2,330 this can carry forward, but will reduce the amount you can salary package for Entertainment Benefits to 31 March 2017.

From 1 April 2016 Entertainment Benefits are Reportable – what does that mean?

Entertainment Benefits will be reportable on your 2016-2017 Payment Summary and will be included in your Reportable Fringe Benefits amount.

Reportable Fringe Benefits have the potential to impact on:

- HELP/HECS minimum repayments
- Child Support Arrangements
- Family Tax Benefits Part A and B
- Medicare Levy Surcharge
- Private Health Care Rebate

AccessPay will provide further information on potential impacts and the relevant actions you will need to take.

Is the amount I can package to General Living Expenses changing?

No, because the limit for General Living Expenses is not changing – the grossed up thresholds for the 2016-2017 FBT Year will remain at \$31,177.

How does the FBT calculation method change impact on my salary packaging benefit for Entertainment Benefits?

From 1 April 2016 Entertainment Benefits will no longer receive the concessional reduction in FBT payable currently available for rebatable organisations. This means that the FBT on Entertainment Benefits will be payable at the same rate as General Living Expenses.

You will however be able to receive the full 10% GST benefit on Entertainment Claims.

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Will salary packaging towards Entertainment Benefits still result in a benefit?

Salary packaging towards Entertainment Benefits without salary packaging towards General Living Expenses from 1 April 2016 will no longer result in a substantial benefit due to the cap on total benefit and the removal of the concessional treatment.

Salary packaging towards Entertainment Benefits in addition to General Living Expenses will continue to result in a substantial benefit where an employee's total gross salary is above \$90,000.

If I want to use a Meal Entertainment Card for my Entertainment Salary Packaging, how do I apply?

The AccessPay Meal Entertainment Card provides you with the convenience of paying for your meal entertainment at an eligible dining establishment that accepts Visa card. This card comes with free access to AccessPay's Frequent Values program.

To apply, simply complete an Application Form. This form is available [here](#) or can be downloaded from AccessPay's website www.accesspay.com.au

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

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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.