



## Providing employees with vaccine incentives or pets can lead to FBT obligations: ATO

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- <https://www.ato.gov.au/Media-centre/Media-releases/Providing-employees-with-vaccine-incentives-or-pets-can-lead-to-FBT-obligations--ATO/>
- Last modified: 12 May 2022
- QC 69591

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The Australian Taxation Office (ATO) is today urging employers that have provided their employees with fringe benefits to consider their fringe benefits tax (FBT) obligations – including [registering, reporting, lodging and paying FBT](#). The ATO expects many employers to have an FBT obligation for the first time due to benefits provided during COVID-19.

A fringe benefit is a 'payment' to an employee, but in a different form to salary or wages. Typical fringe benefits include allowing an employee to use a work car for private purposes, paying an employee's gym memberships or providing tickets to concerts or events.

ATO Assistant Commissioner Michelle Allen said “We have seen more employers providing fringe benefits to their employees because of COVID-19. This includes, paying for items that allow their employees to [work from home](#) and providing non-cash benefits as an [incentive or reward](#) for employees to get their COVID-19 vaccination. We've even heard of an employer providing their employees with pets to keep them company while they work at home!”

“We acknowledge that employers have a lot on their plate, but it is important that employers do the right thing and comply with their obligations, and this includes FBT.”

The ATO uses a range of ATO and third-party data sources to identify FBT non-compliance and penalties may be imposed for incorrect or late FBT returns.

“Employers should also understand that in most cases they can claim deductions for the cost of providing fringe benefits and for the FBT they pay. Employers can

also generally claim GST credits for items provided as fringe benefits.”

The FBT year runs from 1 April to 31 March. Employers who have an FBT liability for the first time can [register for FBT](#) before lodging. Lodgment instructions are available on the [ATO's website](#).

FBT returns are due by 23 May 2022 (as the usual due date falls on a weekend) for employers lodging their own returns or those lodging by paper. Employers lodging through a registered tax professional have until 27 June 2022 to lodge (again, as the usual lodgment due date falls on a weekend).

Employers that are registered for FBT but don't need to lodge an FBT return for the year, will need to advise the ATO via a [notice of non-lodgment](#) form.

Employers who need additional time to lodge are encouraged to speak with their registered tax professional or call the ATO on 13 28 66 from 8am to 6pm, Monday to Friday.

More information is available on the ATO's website – [ato.gov.au/FBT](http://ato.gov.au/FBT)

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Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

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