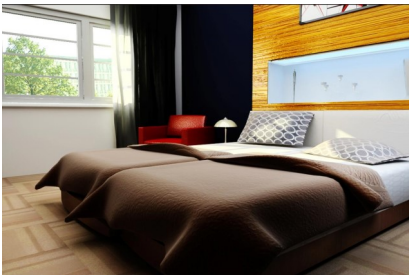


MEAL ENTERTAINMENT CHANGES *Factsheet*

Background



In the May 2015 Federal Budget, the Commonwealth Government announced proposed changes to meal entertainment expense items from 1 April 2016. Those changes, detailed below, were approved by both houses of Parliament in November 2015.

As of 1 April 2016 an individual will only be allowed to salary package a combined total of \$2,549 per FBT year for meal entertainment and accommodation and venue hire claims.

Once this value is 'grossed up' by the ATO the combined value of the two benefits is \$5,000.00 per FBT year. Note that the new capped limit applies to 'cash spend' per FBT year rather than 'available funds'.

An employee who packages more than the 'grossed up value' of \$5,000 is liable for FBT at the rate of 48.5%. This will be reported on your annual payment summary (commonly called your 'group certificate') and will also have an impact upon anyone with HECS debts, family or various other government or Centrelink type payments.

In respect of these items a combined \$5,000 cap in grossed up value of the identified entertainment benefits will apply from 1 April 2016. This equates to a limit of about \$2,549 in actual entertainment expenditure that will qualify for an FBT exemption or rebate (depending on the organisation's tax endorsement status).

Managing your salary packaging

To manage your salary packaging we suggest that you:

1. reduce the balance on your meal entertainment card, if you have one, to \$0.00 by 31 March 2016
2. reduce the balance on your meal fund, if you have one, to \$0.00 by 31 March 2016
3. ensure your meal entertainment benefit or accommodation and venue hire benefit package, if you have one, is paid out before 31 March 2016
4. *tell us how you want us to handle any large balances* that remain on your meal entertainment card; meal fund or meal entertainment accommodation and venue hire package at 31 March 2016. If we do not hear from you these balances will be returned to your employer who may need to withhold tax on that amount before paying you the balance.

What you can claim

To find out more about what you can claim check out our:

[Meal entertainment card factsheet](#)
[Meal entertainment factsheet](#)
[Holiday accommodation and venue hire factsheet](#)

and

How to claim

Use these claim forms to claim you:

[Meal entertainment](#), or
[Accommodation and venue hire](#)