



In-house School Fee

Employees of a “school” where their children are provided with educational services at the same “school” can choose to package school fees and take advantage of the “in-house” benefit item.

The taxable value is calculated as follows: Total school fees for the FBT year x 75% - \$1,000.

Disclaimers and Disclosures

The provisions of this Fact Sheet and the benefits of packaging your salary using Selectus are subject to the provisions of your employment contract and your employer's policy regarding remuneration packaging.

This Fact Sheet is based on taxation and other laws that are current as at 1 July 2009. It contains general information only which is based on the continuance of present laws and rulings and their interpretation.

The information in this Fact Sheet is not intended as professional advice. You should obtain independent legal and financial (including taxation) advice on salary packaging as it affects your individual circumstances.

What is an In-House Expense Item?

An in-house expense payment fringe benefit arises where the expenditure you reimburse or pay for was incurred by the employee (or family member) in purchasing goods or services that you (or an associate) sell to customers or clients in the ordinary course of your business.

You can salary package your child's school fees. You may package primary or secondary fees, but not tertiary fees or HECS payments.

FBT concessions apply to school fees that are ‘in house’. Your child’s school fees may meet the definition of ‘in-house’ if your child:

1. attends the same school that employs you;
2. attends a school run by the same congregation that runs your school; or
3. attends a school in the same parish as your school.

School fees in relation to situations 2 and 3 above require written confirmation of their ‘in-house’ status from your employer prior to processing by Selectus.

If your child’s school fees do not meet the definition of “in-house”, FBT concessions will not apply and the fringe

benefit taxable value of the school fees will be the total amount of school fees reimbursed during the FBT year.

Payment of School Fees Benefits

If you wish to salary package your child’s ‘in-house’ school fees, you will need to estimate the total value of the school fees that you wish to package for the FBT year (1 April to 31 March). This amount will be deducted from your salary in regular installments and remitted into the Selectus bank account. Selectus will then, upon receipt of an Expense Claim Form and a copy of paid invoice, reimburse you in one lump-sum payment, if sufficient salary packaged funds are available, or as a regular amount into your personal bank account until the invoice is reimbursed in full.

You cannot have more school fees reimbursed than were estimated in your package. At the end of the FBT year your actual ‘in-house’ school fee payments will be reconciled to your estimate.





Example (Indicative only)

Gross Annual Taxable Income \$55,000

NOTES

This example is indicative only. You should clarify any question you may have regarding this example by consultation with an accountant, financial adviser or Selectus consultant.

Description of benefits.

School Fees for one child over twelve months is \$5,000.



	Not Packaged	Packaged
	<i>School Fees from post tax salary</i>	<i>School fees from pre tax salary</i>
Gross Salary	\$55,000	\$55,000
In-House School Fees	\$0	-\$5,000
FBT	\$0	-\$1,243
Gross Taxable Salary	\$55,000	\$48,757
Tax(including Medicare Levy)	-\$11,024	-\$8,944
School Fees	-\$5,000	\$0
Net Cash	\$38,976	\$39,813
Annual Net Packaging Benefits	Nil	\$837

This employee would have saved \$837 on paying for the school fees in pre tax dollars.