

EXPOSURE DRAFT

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Inserts for
**Treasury Laws Amendment (Measures
for a later sitting) Bill 2021: FBT
exemption to support retraining and
reskilling**

Commencement information

Column 1	Column 2	Column 3
Provisions	Commencement	Date/Details

1. Schedule X	The first 1 January, 1 April, 1 July or 1 October to occur after the day this Act receives the Royal Assent.	
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EXPOSURE DRAFT

Schedule X—FBT exemption

Fringe Benefits Tax Assessment Act 1986

1 At the end of Division 13 of Part III

Add:

58ZE Exempt benefits—provision of certain education or training

- (1) Subject to subsection (2), a benefit is an exempt benefit in relation to a year of tax if:
- (a) the benefit is provided in, or in respect of, the year of tax in respect of education or training undertaken by an employee of an employer; and
 - (b) the employee is redundant; and
 - (c) the employer has complied with any obligation under the *Fair Work Act 2009* that applies in relation to the redundancy; and
 - (d) the education or training is for the primary purpose of enabling the employee to gain or produce salary or wages in respect of any employment to which the education or training relates.
- (2) For the purposes of paragraph (1)(b), an employee is *redundant* if the employee's employer no longer requires, or reasonably expects to no longer require, the employee's job to be performed by anyone because of changes in the operational requirements of the employer's business or undertaking.
- (3) This section does not apply to a benefit provided to an employee of an employer if:
- (a) the benefit is provided under a salary packaging arrangement; or
 - (b) the benefit is a payment or other amount covered by subsection 26-20(1) of the *Income Tax Assessment Act 1997*; or
 - (c) the education or training in respect of which the benefit is provided is undertaken as part of a primary course (within the meaning of the *A New Tax System (Goods and Services Tax) Act 1999*) or a secondary course (within the meaning of that Act); or

EXPOSURE DRAFT

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- (d) if the employer is an individual—the employee is a relative of the employer; or
 - (e) if the employer is a partnership—the employee is a relative of a partner in the partnership; or
 - (f) if the employer is a company (other than a widely held company within the meaning of the *Income Tax Assessment Act 1997*)—the employee is:
 - (i) a shareholder in, or a relative of a shareholder in, the company; or
 - (ii) a director of, or a relative of a director of, the company.

2 Application of amendments

The amendments to the *Fringe Benefits Tax Assessment Act 1986* made by this Schedule apply to benefits provided on or after 2 October 2020.