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FBT and festivities: what employers need to know

Find out if your staff parties, recreational activities and employee gifts will attract FBT.

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As the end of year approaches, many businesses celebrate with staff parties, events and gifts to recognise and reward their employees.

If you're planning an end-of-year workplace celebration, you should consider if the benefits you provide attract fringe benefits tax (FBT).

This will depend on:

- the amount you spend on each employee
- when and where your event is held
- who attends the event
- the value and type of gifts provided.

When FBT may not apply

If your business holds a workplace celebration or provides staff with gifts, these may be exempt from FBT in some situations. This can include when you provide:

- food and drink to your employees that is consumed on your business premises on a working day
- food and drink to your employees or associates (such as partners) off your business premises which costs less than \$300 per person and qualifies as a minor benefit

- infrequent gifts to your employees with a value of less than \$300 per person and qualifies as a **minor benefit**
- recreational activities (such as golf) which cost less than \$300 per person and qualify as a **minor benefit**
- benefits to your business clients, as they are not subject to FBT.

Check our **common entertainment fringe benefit examples** to see if they apply to your situation.

Make sure to **keep the right records** to stay compliant and avoid unexpected penalties.

Learn more about **How to work out FBT on entertainment** or seek advice from a registered tax agent.

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