


***CR 2016/58A1 - Addendum - Fringe benefits tax: corporate clients of Smartgroup Corporation Ltd and its subsidiaries (Smartgroup) who participate in Smartgroup's bus travel benefit scheme***

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## Addendum

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### Class Ruling

Fringe benefits tax: corporate clients of Smartgroup Corporation Ltd and its subsidiaries (Smartgroup) who participate in Smartgroup's bus travel benefit scheme

This Addendum is a public ruling for the purposes of the *Taxation Administration Act 1953*. It amends Class Ruling CR 2016/58 to change the preferential order of non-compliance consequences.

#### **CR 2016/58 is amended as follows:**

##### **1. Paragraph 14**

Omit the paragraph; substitute:

14. Upon cessation of employment, the card account is cancelled. Any unused credits are paid out to the employee as gross salary, with PAYG withholding to be deducted.

##### **2. Paragraph 15**

Omit the paragraph; substitute:

15. On the employer's behalf, Smartgroup implements a range of reasonable safeguards to ensure that each smartcard is used only by the employee, for travel between home and work. Smartgroup will receive a report on a daily basis from the provider showing any employee who has used the smartcard. It will include a report on employees who used the smartcard on a mode of transport other than a bus, and the employer will be notified of such breaches. In regards to any non-compliance, the cost of that non-compliant travel (including FBT) will be charged and recovered from the employee from pre-tax salary where possible and as the preferred option. However, the alternative is that the costs (including FBT) are recovered in after-tax salary. If an employee uses the card for three non-compliant trips, the card account will be cancelled.

This Addendum applies on and from 31 May 2016.

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**Commissioner of Taxation**

30 November 2016

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ATO references

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