

### Laptop and PDA Information Sheet

1. ANU administers a salary sacrificing service for laptops and PDA in-house (through the Tax Unit, Finance & Business Services). This benefit option is not available through SmartSalary.
2. Only one laptop and one PDA may be salary sacrificed each FBT year (1 April - 31 March).
3. The University retains the right to revoke these arrangements at any time.
4. The maximum value that can be sacrificed (including laptop or PDA, software etc) is \$8,000.00 (inclusive of GST).
5. Applications received are subject to a primary use test. Only laptops/PDAs that will be used **primarily for an employee's work purposes at the ANU** can be salary sacrificed.
6. All applications must be accompanied by a [declaration](#) to substantiate that the laptop or PDA purchased and provided to an employee will be used primarily for work purposes.
7. The [declaration](#) form is to be completed by Head of Budget Units who hold HR Delegation [3.37](#) and must be counter-signed by the employee. Detailed explanation on how the item will be used by an employee for ANU work purposes is required. If a declaration form is incomplete or unclear, it will be returned with a request for further information or clarification.
8. The Tax Unit reserves the right to assess each application based on the employee's job scope, employment responsibilities at the University etc. If, following due consideration, a laptop or PDA is deemed as not being provided primarily for an employee's work purposes at the ANU, the application to salary package the laptop will be rejected.
9. If unsure as to whether the purchase of a laptop or PDA will meet the requirements set out above, please contact [Taxunit@anu.edu.au](mailto:Taxunit@anu.edu.au) for clarification and in principle approval prior to purchase.
10. The Federal Budget for 2008/ 2009 also addressed issues in relation to the claiming of depreciation deductions on laptops. As the University is not able to provide personal taxation advice to employees, please refer to the relevant [ATO webpage](#) for further information.

#### **What can and cannot be sacrificed?**

11. The following summarises what can and cannot be sacrificed under this arrangement:

Yes	Laptop/PDA (Must be sold to employee by a business with an Australian Business Number (ABN))
Yes	Devices and accessories (internal or external) included in price of laptop or PDA (i.e. no separate identifiable cost)
Yes	Mouse
Yes	Software in the following circumstances only: - The software forms part of the computer/PDA package and there is no separate identifiable cost; OR - The software is for use in the employee's work at the ANU (employee must complete a <a href="#">laptop software declaration form</a> to confirm software is work related)
Yes	Portable printer designed specifically for use with a laptop computer. NOTE: documentation (e.g. a copy of first page of user manual, promotional material, etc.) must be provided to prove the device is marketed as a "portable" printer.
Yes	iPads, or similar products.

	The packaging of these devices requires a stronger case to prove they are primarily for business use.
Yes	A handheld microcomputer that functions primarily as an electronic diary/organiser (one per FBT year)
No	Other (non-portable) printers
No	External devices not necessary for the basic operation of the laptop computer (e.g. external memory devices, modems, extra keyboards, extra monitors, docking stations, wireless base stations, locks, etc.)
No	Software (not included in price of computer AND not work related)
No	Desktop computer
No	Personal Digital Assistant (PDA) e.g. Palm Pilot. Separate instructions are available for PDAs.
No	Extended warranty
No	Carry bag
No	A device that functions primarily as a mobile phone
No	A device that is marketed as a consumer/recreational product (as opposed to a business product) e.g. MP3 players, iPods, cameras, GPS satellite navigation systems, etc.

12. Finance & Business Services reserves the right to classify devices as it sees fit. Should you wish to obtain prior approval for a device, please email [Taxunit@anu.edu.au](mailto:Taxunit@anu.edu.au) with information about the device (e.g. model, link to website with information on its features, etc.) and we are happy to confirm our decision in advance of your purchase.

#### What are the procedures for salary sacrificing a laptop or PDA?

13. The following steps set out the procedure for salary sacrificing a laptop or PDA:

Step 1	Employee reads <a href="#">salary sacrificing procedure</a> to determine whether they are eligible to participate in the salary packaging arrangement, and seeks financial advice if required.
Step 2	Employee seeks approval by completing <a href="#">laptop or PDA benefit declaration form</a> and seeks in principle approval from <a href="mailto:Taxunit@anu.edu.au">Taxunit@anu.edu.au</a> .
Step 3	Employee purchases laptop or PDA from any business with an Australian Business Number (ABN)
Step 4	Employee completes laptop/PDA application form, and submits the completed form together with the <a href="#">laptop or PDA benefit declaration form</a> , the original <b>tax invoice</b> , a document summarising the functions of the device (e.g. copy of relevant pages of instruction manual, advertising leaflet, website printout etc), and proof of payment to the Tax Unit, Finance and Business Services. In this form, the employee agrees to have their salary reduced for a period of time to pay for the device.
Step 5	Tax Unit will send the employee an email indicating whether their application has been accepted. If yes, the email will also detail: <ul style="list-style-type: none"> <li>• Whether their application form and associated documentation was submitted correctly</li> <li>• When the reimbursement for the laptop or PDA will be paid</li> <li>• The amount that will be deducted from the employee's pay over the elected number of pays</li> <li>• When the deductions for the device will commence</li> <li>• Notify the employee that the original tax invoice will be returned to them via the internal mail</li> </ul>
Step 6	Provided all requirements are satisfied, employee is reimbursed in full for the cost of the laptop or PDA to their default salary bank account.

	<p><i>(N.B. The reimbursement will not appear on the employee's payment summary either as income or a reportable fringe benefit).</i></p> <p>Finance &amp; Business Services will undertake this accounts payable processing centrally. However, an accounts payable remittance will not be issued.</p> <p>The employee should check their bank account statement for the reference "ANU EFT" (followed by a sequential numeric reference number).</p>
Step 7	The GST-exclusive cost of the laptop or PDA is then deducted from the employee's pre-tax salary over the number of pays (up to 26) elected by the employee.

### **Guidelines on Completing Laptop or PDA Benefit Declaration Form**

14. All applications must be accompanied by a declaration form to substantiate that the laptop or PDA purchased and provided to the employee, will be primarily for use in the employee's employment at the ANU.
15. Detailed explanation on how the laptop or PDA will be used by the employee for ANU work purposes is required by both the employee and the employee's supervisor. If a declaration form is incomplete or unclear, it will be returned with a request for further information or clarification.
16. Details required are as follows:
  - When and how often is the laptop or PDA used for work related duties?
  - Please detail the type of work responsibilities which the laptop or PDA will be used for
  - If the employee is required to travel for work purposes and will use the laptop or PDA during the business trip, when and how often is the employee required to travel?
  - Will the laptop or PDA be used at home or only during office hours at the ANU?
  - If the laptop or PDA is used at home, please detail work responsibilities which employee is required to complete while at home
  - Will the laptop or PDA be used for any private purposes? If yes, please provide details
17. The declaration form must be approved by Head of Budget Units who hold HR Delegation ~~3-37~~ and should be counter-signed by the employee and the employee's supervisor. Tax Unit can provide assistance to Delegates when deciding on applications that may be declined. If Delegates require further clarification/ assistance when approving an application, please email [Taxunit@anu.edu.au](mailto:Taxunit@anu.edu.au).
18. Finance & Business Services reserves the right to assess each application based on the employee's job scope, employment responsibilities at the University etc. If, following due consideration, a laptop or PDA is deemed as not being provided primarily for an employee's work purposes at the ANU, the application to salary package the laptop or PDA will be rejected.
19. If unsure as to whether the purchase of a laptop or PDA will meet the requirements set out above, please contact [Taxunit@anu.edu.au](mailto:Taxunit@anu.edu.au) for clarification prior to purchase.

### **What is a valid tax invoice?**

20. The law requires that specific information is included in a tax invoice, and it is the employee's responsibility to ensure the tax invoice document/s include the following information:
  - a) The ABN of the supplier
  - b) The GST-inclusive price of the device
  - c) The words 'tax invoice'
  - d) The date of issue of the tax invoice
  - e) The name of the supplier
  - f) The name of the recipient (i.e. employee's name) -only required where laptop or PDA costs more than \$1,000.00
  - g) The address of the recipient (i.e. employee's home or work address) - only required if laptop or PDA costs more than \$1,000.00
  - h) A brief description of each item being sold

- i) The quantity of the goods supplied; and
- j) (i) When GST payable is exactly 1/11th of the total price, a statement along the lines of 'the total price includes GST'; or  
(ii) The GST amount

**What happens if I resign/take leave without pay before the cost of the laptop or PDA is fully recovered from my pre-tax salary?**

- 21. Where an employee resigns, the amount outstanding on their device will be deducted from their final pay. Where insufficient funds are available in this pay, an invoice will be issued to the employee by Finance and Business Services, payable within 14 days.
- 22. Where an employee goes on leave without pay for less than one month, the deductions will be suspended for that month, and reinstated on the employee's return to work.
- 23. Where an employee goes on leave without pay for more than one month, the amount outstanding on their device will be deducted from the pay prior to their leave commencing. Where insufficient funds are available in this pay, an invoice will be issued to the employee, payable within 14 days.

**Maintenance/IT support/Insurance**

- 24. It is the employee's own responsibility to maintain, insure and fund the cost of any required IT support for laptop purchased under this scheme.

**What are the taxation implications?**

- 25. Laptops and PDAs that will be used by an employee primarily for work purposes are exempt from Fringe Benefits Tax (FBT) under section 58X of the FBT Act (this exemption only applies to one laptop or PDA per FBT year per employee).
- 26. The reimbursement for the device will not be reported on an employee's payment summary as a reportable fringe benefit amount.

**Further information**

- 27. For further information, contact the Tax Unit, Finance and Business Services by email [Taxunit@anu.edu.au](mailto:Taxunit@anu.edu.au).