

PDA Information Sheet

1. ANU administers a salary sacrificing service for electronic diaries/ Personal Digital Assistants (PDAs) in-house (through the Tax Unit of Finance & Business Services). This benefit option is not available through SmartSalary.
2. Only one PDA (as defined in paras 11-13) 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 of a PDA that can be salary packaged is \$2,200.00 (inclusive of GST).

Changes to salary packaging PDAs following 2008/ 2009 Federal budget

5. PDA applications received by the Tax Unit after 7.30pm on 13 May 2008 are subject to the new Federal Budget changes. As a result, only PDAs that will be used **primarily for an employee's work purposes at the ANU** can be salary sacrificed.
6. All applications must now be accompanied by a [declaration](#) to substantiate that the 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 PDA 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 PDA is deemed as not being provided primarily for an employee's work purposes at the ANU, the application to salary package the PDA will be rejected.
9. If unsure as to whether the purchase of a PDA will meet the requirements set out above, please contact Taxunit@anu.edu.au for clarification prior to purchase.
10. The Federal Budget for 2008/ 2009 also addressed issues in relation to the claiming of depreciation deductions on PDAs. 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	A handheld microcomputer that functions primarily as an electronic diary/ organiser (one per FBT year)
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 X business product) e.g. MP3 players, iPods, cameras, GPS satellite navigation systems, etc.
No	Accessories associated with the device

12. Taxation Law is having difficulty keeping up with the pace of technology. It is sometimes difficult to determine whether a multifunction device would qualify as "a handheld microcomputer that functions primarily as an electronic diary/ organiser."

13. Thus, 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 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 PDA?

14. The following steps set out the procedure for salary sacrificing a PDA:

Step 1	Employee reads salary sacrificing procedure to determine whether they are eligible to participate in the salary packaging arrangement, reads para 11 above to determine whether the device is eligible, and seeks financial advice if required.
Step 2	Employee purchases PDA from any business with an Australian Business Number (ABN).
Step 3	Employee completes Application form, PDA declaration form and submits the completed forms together with the original tax invoice , 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 4	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"> • Whether their application form and associated documentation was submitted correctly • When the reimbursement for the device will be paid • The amount that will be deducted from the employee's pay over the elected number of pays • When the deductions for the device will commence • Notify the employee that the original tax invoice will be returned to them via the internal mail
Step 5	Provided all requirements are satisfied, employee is reimbursed in full for the cost of the device to their default salary bank account. <i>(N.B. The reimbursement will not appear on the employee's payment summary either as income or a reportable fringe benefit).</i> Finance & Business Services will undertake this accounts payable processing centrally. However, an accounts payable remittance will not be issued. The employee should check their bank account statement for the reference "ANU EFT" (followed by a sequential numeric reference number).
Step 6	The GST-exclusive cost of the device is then deducted from the employee's pre-tax salary over the number of pays (up to 26) elected by the employee.

What is a valid tax invoice?

15. 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 PDA costs more than \$1,000.00

- g) The address of the recipient (i.e. employee's home or work address) - only required if 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 device is fully recovered from my pre-tax salary?

- 16. 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.
- 17. 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.
- 18. 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

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

What are the taxation implications?

- 20. Electronic diaries/ 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 PDA per FBT year per employee).
- 21. The reimbursement for the device will not be reported on an employee's payment summary as a reportable fringe benefit amount.

Further information

- 22. For further information, contact the Tax Unit, Finance and Business Services by email Taxunit@anu.edu.au.