


# ***TGD 93/10 - Training Guarantee: can sales commission paid by an employer qualify as eligible training expenditure?***

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## Training Guarantee Determination

### Training Guarantee: can sales commission paid by an employer qualify as eligible training expenditure?

1. No. An employer pays sales commission on the basis of sales made, not on hours worked. Commission payments are directly attributable to sales results, not periods of time.
2. Only expenditure incurred that is directly attributable solely or principally to eligible training programs, or certain related activities, qualifies as eligible training expenditure.
3. If an employer pays an employee on a commission only basis there is no salary or wages expenditure for any period during which that employee was participating in eligible training activities.

#### Example:

A real estate company, pays for one of its employees (a salesperson paid a retainer of \$100 per week, plus commission on sales) to undertake a 2 day communication skills training course. The course is an eligible training program. The course fee is \$500 and travel expenses total \$100. In this example the employer can only count the following expenses towards its training guarantee obligation:

Course fees	\$ 500
Travel	\$ 100
Salary & Wages	\$ 40**

\*\*(Salary and wage expenditure 2 days retainer at \$20 per day = \$40.)

Commissioner of Taxation

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Related Determinations:

Related Rulings:

Subject Ref: commission; salary or wages

Legislative Ref: TGAA 25, 26

Case Ref:

ATO Ref: ALB/TG/TGR 4

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