


# ***TGD 94/D6 - Training guarantee: can an employer claim salary or wages as eligible training expenditure when employees undertake training outside normal business hours?***

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Draft Training Guarantee Determinations (TGDs) represent the preliminary, though considered, views of the ATO. Draft TGDs may not be relied on; only final TGDs are authoritative statements of the ATO.

## Draft Training Guarantee Determination

### **Training guarantee: can an employer claim salary or wages as eligible training expenditure when employees undertake training outside normal business hours?**

1. No. Generally, when salaried workers attend eligible training programs in their own time, ie outside normal business hours, the employer does not incur any salary or wage expenditure which is eligible training expenditure. This is because no expenditure has been incurred in respect of the time the person is undertaking training.

2. If the employee receives overtime or time off in lieu, the employer can claim the amount paid as overtime or the salary relating to the time off in lieu as eligible training expenditure.

3. In some cases, a person's employment conditions require them to attend training programs outside of normal working hours. Where this requirement is stipulated in the employment contract, or is clearly known and accepted in the employment situation, the employer can claim the salary expenditure that is directly attributable to the training program.

#### *Example*

*Julie Smith, a teacher is paid a salary of \$30,000 per annum. She is expected as part of her employment conditions to be available to attend training, school functions, parent-teacher nights, etc after normal school hours. She works 44 hours in a particular week and also attends 3 hours of training after hours. Her employer's eligible salary expenditure would be calculated as follows:*

$$\text{weekly salary} \times \text{training hours/ total hours} = \text{salary expended on training}$$

$$(1/52 \times 30,000) \times 3/47 = \$36.83$$

**Commissioner of Taxation**

27/1/94

FOI INDEX DETAIL: Reference No.

Related Determinations:

Related Rulings:

Subject Ref: eligible training expenditure; after hours training

Legislative Ref:

Case Ref:

ATO Ref: ALB/TG/TGR9