

Remote Area Benefits

There are various Fringe Benefits Tax (FBT) exemptions for employees working in remote areas:

- Some of these benefits are paid totally tax free and others attract FBT on 50% of the benefit.
- An employee can only receive Remote Area Benefits if they live and work in designated remote area location.
- Your employer will confirm your eligibility for Remote Area Benefits at your work location.
- You are not eligible for Remote Area Benefits if you have your residential property in a non-Remote area and fly-in/fly-out to the remote area.

Employees must be working and living in a remote area to get these benefits

Reportable Fringe Benefits

- Remote area housing benefits are not reportable on your payment summary.
- Remote area holiday transport and overseas employment holiday transport are reportable.

Remote Area Rent

Employer Owned/Leased Accommodation

If your employer either owns or leases a property to you in a remote area, you are able to salary package 100% of your rental cost 100% tax free from your pre-tax salary.

Employee Leased Accommodation

If you work and reside in a remote area and lease a rental property, you can pay for 50% of the rental payment tax free via salary packaging and the other 50% from after tax salary.

Other Remote Area Benefits

The following items have FBT paid on 50% of the benefit salary packaged:

- Remote Area Mortgage Interest.
- Remote Area Home Purchase.
- Remote Area Fuel (electricity, gas etc).
- Remote Area Holiday Transport.

You will only benefit from packaging the items in 2 above if you are paying a tax rate of 38.5% (37% Marginal Tax plus 1.5% Medicare levy) and above (taxable income above \$80,000 pa).

Confirm you are eligible for Remote Area Benefits and your employer will authorise salary packaging these benefits.

Complete a Package Set Up form and nominate pre-tax deductions for the benefits relevant to your circumstances and income.

You must provide Selectus with written confirmation from your employer that you are entitled to salary package Remote Area Benefits and that you both live and work in a remote area.

Depending on benefit packaged, the nominated amount will be deducted from pre-tax salary and your income tax adjusted.

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Remote Area Holiday Transport

All travel must be related to a minimum of three days leave for a concession to apply. Travel must be provided pursuant to an Industrial Award or it must be customary in the industry to provide such benefits.

- Reductions of up to 50% of the taxable value of the benefit may apply.
- Documentary evidence of the expense must be provided to the employer prior to reimbursement.

Expenditure covered:

- Transport.
- Meals and accommodation in connection with transport.
- Accident Insurance.
- Airport and Departure Taxes.
- Car Expenses – reimbursed on a cents/kilometre basis, employee declaration required.

Individuals covered:

- Employee.
- Employee's spouse (includes de-facto).
- Child of the employee (including adopted, step or ex-nuptial children).

Travel covered:

The concession applies to return travel by the employee from the work in a remote area to:

- A town where you lived before being engaged to work at the remote locality.
- The Capital City of the State or Territory in which the workplace is located (for this purpose Perth and Adelaide are treated as if they were capital cities of Christmas Island and the Northern Territory).

If the transport is for your spouse or child the transport does not have to be undertaken while you are on recreational leave. It is sufficient that the transport be provided wholly or principally to enable your spouse or child to have a holiday for a period of not less than three days. The concession does not apply where your spouse or child accompany you while you are undertaking work related travel.

Overseas Employment Holiday Transport

This concession is only available for one holiday per FBT year. Where the travel is not to your home country, the concession is limited to 50% of a return economy air fare to the home country.

Expenditure covered:

- Transport.
- Meals and accommodation in connection with transport.
- Accident Insurance.
- Airport and Departure Taxes.
- Car Expenses – reimbursed on a cents/kilometre basis, employee declaration required.

Individuals covered:

- Australian employees posted overseas.
- Overseas residents posted in Australia.
- Employee.
- Employee's spouse (includes de-facto).
- Child of the employee (including adopted, step or ex-nuptial children).

Travel covered:

The concession applies to return travel by you from work in a remote area to:

- Travel to both your home country and to other destinations.
- Concession amount varies depending on whether the travel is to your home country or to another destination.

For more information on Remote Area Benefits, please refer to the ATO website.