



Introduction

This AccessPay Fact Sheet is intended to provide guidance to employees about eligibility for salary packaging towards Remote Area related Benefits.

Eligibility

Employees who live and work in an area classified as “Remote” by the Australian Tax Office (“ATO”), can access the following benefits:

- Remote Area Housing Assistance
- Remote Area Holiday Transport

Employees receive a concession on these benefits which is dependent on the Remote Area Benefit being claimed.

Employees who reside in their own property, owned (mortgaged) or rented, receive a 50% reduction in their benefit. This means that 50% of the benefit is included in the annual General Living Expenses cap and the remaining 50% is in addition to the cap.

In addition, employees who travel from their remote location to their nearest capital city, or previous living location, can receive a 50% reduction in their costs when the travel relates to a holiday, that is, it is not business travel.

All Remote Area Benefits are non-reportable benefits and will not appear on your annual PAYG payment summary.

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Salary packaging and Remote Area Benefits

AccessPay recommends that you contact us to discuss which Remote Area Benefits you may be eligible for and how to meet the eligibility criteria.

Remote Area Housing Assistance

Remote Area Housing Assistance is where the employer provides financial assistance to an employee in relation to expenditure for their accommodation whilst they are employed. This assistance is in the form of allowing employees to salary package expenditure relating to the:

- Payment or reimbursement of their rent, or
- Reimbursement of interest on a mortgage.

The benefit is claimed as 50% within the annual General Living Expense cap and 50% in addition to the cap.

Rent

Remote Area Housing Assistance Rent is based on the amount of rent payable per payment frequency for the length of the lease, that is, up until the end date of the tenancy.

Example: rent (\$30,000 FBT-Exempt organisation).

Olivia lives and works in a remote area and rents a house that is occupied by her as her usual place of residence. Her rent is \$10,400 per annum.

Within an FBT year and subject to employer policy, Olivia could claim:

Remote Area Housing Assistance – rent – 50% in addition to the cap	\$	5,200
Remote Area Housing Assistance – rent – 50% within annual General Living Expenses cap	\$	5,200
Other General Living Expenses	\$	10,700
Total salary packaging	\$	21,100

Olivia will salary package an additional \$5,200 and reduce her taxable salary by the same amount. The Remote Area Housing Assistance rent payment (within and in addition to the annual cap) is non-reportable on Olivia's PAYG payment summary.

Interest on a mortgage

Remote Area Housing Assistance Interest is based on the amount of interest paid on a property that the employee resides in.

Example: interest on mortgage (\$30,000 FBT-Exempt organisation)

Peter lives and works in a remote area and he sends through his mortgage statement for a 12 month period. This mortgage is in relation to Peter's primary place of residence. During this time the total interest paid was \$14,000.

Within an FBT year and subject to employer policy, Peter could claim:

Remote Area Housing Assistance – interest – 50% in addition to the cap	\$	7,000
Remote Area Housing Assistance – interest – 50% within annual General Living Expenses cap	\$	7,000
Other General Living Expenses	\$	8,900
Total salary packaging	\$	22,900

Peter will salary package an additional \$7,000 and reduce his taxable salary by the same amount. The Remote Area Housing Assistance interest payment (within and in addition to the annual cap) is non-reportable on Peter's PAYG payment summary.

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Utilities to maintain the home (Remote Area Fuel)

Remote Area Fuel is defined as services required to service the home for example, electricity and gas.

These services are reimbursed in conjunction with an established Housing Assistance payment.

Remote Area Holiday Transport

Where an employee is living and working in a remote area, the costs of travelling for the purpose of a holiday can be salary packaged. The same concession applies – 50% within the annual General Living Expense cap and 50% in addition to the cap.

An employee must meet additional eligibility criteria that includes:

- The holiday must be for a period of three or more working days, and
- The holiday is taken by commercial transport, and
- A signed remote travel declaration is provided with the expenditure.

Commercial transport refers to a flight, train, bus or ferry ride.

The concession also extends to employee's immediate family, whether accompanied by the employee or not. If a child or the spouse of the employee doesn't live at the employee's work locality, the concession will also apply if the holiday travel by the spouse or child is for the purpose of meeting the employee.

Traveling to your nearest capital city (actual travel)

When the employee (and their immediate family) travels to their nearest capital city or previous living location, the total transport costs can be reimbursed to the employee through a salary packaging arrangement.

Example: Actual travel (\$30,000 FBT-Exempt organisation)

Chloe lives and works in Coober Pedy, South Australia. This town is remote and its nearest capital city for Remote Area Holiday Transport purposes is Adelaide.

Chloe travels to Adelaide on a number of occasions throughout the FBT year, and the total cost of the return flights is \$3,600.

Chloe meets the additional eligibility criteria and subject to employer policy could claim:

Remote Area Holiday Transport – 50% in addition to the cap	\$	1,800
Remote Area Holiday Transport – 50% within annual General Living Expense cap	\$	1,800
Other General Living Expenses	\$	14,100
Total salary packaging	\$	17,700

Chloe will salary package an additional \$1,800 and reduce her taxable salary by the same amount. Chloe's Reportable Fringe Benefits will not be impacted by salary packaging to a Remote Area Benefit.

If Chloe salary packaged towards Remote Area Housing Assistance, this would increase her total salary packaging and reduce her taxable income further.

Please note: Information, advice or guidance provided in this fact sheet, is general in nature and provided without reference to your organisation policies or your circumstances. It is not and should not be considered to be organisational or personal advice to you. Please contact your accountant, tax agent or legal adviser to determine how the information in this fact sheet may apply to your circumstances. Alternatively you can contact AccessPay with any queries about how the information in this fact sheet may apply to your circumstances.

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