

Salary packaging relocation costs



While relocating for work can be a hassle, it doesn't need to cost the earth! We can help you save money by salary packaging these costs.

Am I eligible?

You may be eligible to salary package your relocation costs if you can prove that you have temporarily or permanently relocated for work purposes or are returning home after a work-related relocation.

What's covered?



Removal, temporary storage, shipping and insurance of household items



Transport costs, meals & accommodation paid for on the way to your new location



Temporary accommodation at the new or old work location



Connection of utilities at the new location



Costs involved with the sale and purchase of a residence including stamp duty, legal fees and agent commission



Relocation consultant fees

Relocation costs can be salary packaged in addition to your annual salary packaging limit and are not included as a reportable fringe benefit amount on your income statement. **Please note**, you are unable to salary package a relocation cost if it's already been reimbursed to you by your employer, or will be reimbursed in the future.



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Salary packaging tax savings

David needs to relocate from Sydney to Melbourne for his employment. He earns \$95,000 per annum. His relocation expenses total \$7,300.

In this example, there is a tax saving on relocation costs of over \$2,500, and further benefits may be available where GST has been paid (subject to a valid tax invoice being supplied, and his employer's salary packaging policy).

Description	Without salary packaging	With salary packaging
Gross Salary	\$95,000	\$95,000
Relocation expenses	\$0	\$7,300
Taxable Salary	\$95,000	\$87,700
Income Tax & Medicare	\$23,242	\$20,723
After-tax Salary	\$71,758	\$66,977
Relocation expenses	\$7,300	\$0
Available Income	\$64,458	\$66,977
Saving	\$0	\$2,519

Benefit conditions

- Removal and storage of household items includes packing, unpacking, insurance and arrangements for your pets
- Transport costs includes;
 - Transport to / from your new location including meals and accommodation en route for you and your family.
 - Transport costs for journeys taken prior to the relocation, to arrange suitable accommodation (provided you committed to the relocation).
- Temporary accommodation includes;
 - Accommodation while searching for suitable long-term rental or purchase options for:
 - > Up to 21 days in your home city because your home is unavailable or unsuitable for living due to the relocation, ending on the day employment starts in the new location.
 - > Up to 7 days prior to commencement of work in your new location and while searching for and securing long term accommodation
 - This benefit ends when:
 - > you stop making sustained and reasonable efforts to buy or lease suitable accommodation
 - > after 4 months
 - or
 - > after 6 months, when you provide a declaration outlining your efforts to secure suitable long-term accommodation (e.g. you've entered into a contract to purchase a house but settlement won't occur until after the 4 month limit)
- > after 12 months, when you owned a home at your former location, sold it within 6 months of starting work at the new location, and during this time, tried to purchase a home at the new location (a declaration outlining your efforts is required).
- Connection of utilities (gas, electricity or telephone) is included providing that;
 - a telephone was connected at your previous home
 - the connection of a new service is made within 12 months of commencing employment duties in your new location.
- Costs involved in the sale and purchase of your residence includes:
 - Costs such as stamp duty, advertising, legal fees, agents commissions and borrowing expenses providing that:
 - > You owned your home and it was your usual place of residence (not an investment property)
 - > You changed your place of residence in order to carry out employment-related duties
 - > The sale of your old home is within two years of commencing employment duties at your new location
 - > The purchase of a new home is within four years of commencing employment duties in your new location.

Please note: Information, advice or guidance provided in this factsheet, is general in nature and provided without reference to your organisation's policies or your personal circumstances. Please contact your accountant, tax agent or legal adviser to determine how the information in this factsheet may apply to you.

