

Salary Packaging

Relocation Expenses Benefit – Information Sheet



RELOCATION EXPENSES BENEFIT

Barwon Health employees can Salary Package expenses incurred as a result of relocation, if the relocation is solely due to gaining employment with Barwon Health. Barwon Health relocation policy requires the employee to have moved to a location within a 30km radius of the place of employment with Barwon Health, and their previous residence was located in excess of 100km from their place of employment with Barwon Health.

We strongly advise that you contact Salary Packaging prior to packaging this benefit, to ensure that you qualify.

What types of Relocation Expenses can be packaged?

- **Removal and storage of household effects** - This covers cost of removal, storage, packing, unpacking and insurance of household effects (including pets), kept primarily for the personal use of the employee and/or family. The removal must take place, or storage must commence, not more than 12 months after the employee begins employment with Barwon Health.
- **Expenses relating to the sale or acquisition of a house** - The employee must have owned a house, which was their usual place of residence that was sold within 2 years of commencing employment with Barwon Health. The employee must have purchased their new residence within 4 years of commencing employment with Barwon Health. **To claim purchase costs, the pre-requisites of sales costs must be met first.**

Items that can be claimed in respect to the sale and/or purchase of a house

- Stamp duty, legal fees and agent's commission
- Advertising
- Costs on discharge of mortgage
- Expenses associated with borrowing and/or any similar capital expenses
- Connection or reconnection of gas, electricity, telephone services to new home (employee must have had a phone at previous location)

Items that are NOT eligible in respect to the sale and/or purchase of a house

- Interest
- Repayments of principal
- Loan service fees
- Insurance
- Council and water rates

- **Engagement of a relocation consultant** - A relocation consultant is a person who assists an employee and their family members to move and settle into a new location.

In order for the cost of this benefit to qualify as an exempt Fringe Benefit item, the following conditions must be met:

- The engagement of the relocation consultant must be in respect of employment with Barwon Health
- The benefit is provided under an 'arm's length' arrangement
- If the benefit is an expense payment benefit – documentary evidence must be provided to Barwon Health before the date the employee declarations are due

- **Transport as a result of relocation** - Where an employee is required to live away from home in order to perform their job, the costs of providing relocation transport (and any meals and accommodation enroute) to the employee (and family members) are an exempt benefit. This benefit also applies where the employee is returning to their usual place of residence after working at another location.

The benefit does not apply to a reimbursement of the employee's car expenses where the reimbursement is calculated by reference to the distance traveled by the car.

How much can I package for Relocation Expenses?

There is no limit to the amount that you can package for Relocation expenses, however only one item of each type can be packaged per Fringe Benefit Tax Year.

What claim/payment methods are available for Relocation Expenses?

Reimbursement via an Expense Claim form with supporting documentation.

What documentation do I need to provide?

The completed Expense Claim form, with the original Tax Invoice or certified copy, together with proof of purchase attached, are required.

Please note: The employee must incur the expenditure solely.

Important Note - Manager Approval is required:

If you claim relocation expenses via Salary Packaging, please ensure that you seek approval from your manager. Your manager will need to complete the Relocation Declaration section of the Expense Claim form, to confirm that your previous residence was located in excess of 100km from your place of employment with Barwon Health and that you have relocated to within 30kms of your place of employment with Barwon Health, so that you can perform the duties of your employment.

Your manager will consider and document whether it is reasonable to accept that you relocated solely due to your employment at Barwon Health requiring you to change your usual place of residence.

Please consider this prior to requesting your manager to sign the declaration.

What if I don't use the full amount during the Fringe Benefits Tax Year (FBT)?

If you do not use the full amount that you packaged within the FBT year, the balance will be reimbursed to you via payroll and PAYG tax will be deducted.

Are Relocation Expenses included on my annual Income Statement?

No, as this an exempt item it is not a reportable fringe benefit.