



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

Relocation costs won't impact your FBT exempt annual limits, and are not reportable on your PAYG Payment Summary, when you're:

- required to live away from home for work for a temporary period, or
- returning home after a work-related temporary relocation, or
- returning home after a work-related temporary relocation, as you no longer perform the duties for which you originally relocated, or
- permanently relocated.

Relocation costs covered are:

Engagement of a relocation consultant

- to help you, or your family members move and settle into a new location.

Removal and storage of household items

- including packing, unpacking, insurance and arrangements for your pets.

Sale or acquisition of a dwelling, such as stamp duty, advertising, legal fees, agents commissions and borrowing experiences (for permanent relocation only)

Where:

- you owned your home and it was your usual place of residence (not an investment property).
- the sale contract for your home is within two years of commencing employment duties at your new location.
- the contract to purchase a new home is within four years of commencing employment duties in your new location.

Connection or reconnection of utilities

Gas, electricity and telephone where:

- a telephone was connected at your home.
- the connection of a new service is made within 12 months of commencing employment duties in your new location.

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, while searching for suitable long-term rental or purchase options (permanent relocations only)

- ▶ Up to 21 days of accommodation as necessary 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 monthsor
 - 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).

How to claim for relocation costs:

- ▶ Contact AccessPay to confirm what you are able to claim, and submit your supporting documentation for review.
- ▶ AccessPay will confirm your eligibility to salary package relocation costs with your employer – you will be required to sign (and have your employer sign) a declaration that will be kept on file.
- ▶ AccessPay will assist you with calculating a salary packaging schedule for your relocation expenses that will maximise the tax benefits available to you.
- ▶ If you are not already salary packaging with AccessPay, you will be assisted to set up your salary packaging account.



Case Studies

Example 1 – What can be salary packaged?

Sally lives in Perth, and has accepted a position with a new organisation in Melbourne. Sally needs to relocate to perform her new role. A month before Sally begins her new position; she travels with her family to Melbourne to meet with a real estate agent to search for a new home. The airline tickets, accommodation and meals for Sally and her family en route to visit the real estate agent cost Sally \$1,500.

When Sally moves from Perth to Melbourne, she hires removalists to pack her household items in Perth and transport them to Melbourne, at a cost of \$7,500. Sally also pays \$200 for insurance of her belongings during this process. Sally also has a dog that she wishes to transport to Melbourne – the costs to fly her dog to Melbourne are \$1,200. The cost of airfares and meals en route from Perth to Melbourne for Sally and her family are \$800.

Sally owned her home in Perth and decides to sell it once she has moved. She hires a real estate agent to assist. Her previous home sells within 18 months of her moving to Melbourne. The costs associated with advertising, legal fees, agent commission and discharge of her previous mortgage come to \$22,000.

Sally purchases a new home in Melbourne soon after moving there. The stamp duty, borrowing expenses and conveyancing costs associated with the purchase of her new home total \$35,000. Her new home settles within 1 year of Sally commencing her new role – she arranges to have gas, electricity and telephone services connected to her new home at a cost of \$500.

Relocation costs summary:

Expense	Cost to Sally
Travel to secure new accommodation	\$1,500.00
Removal and transport of belongings	\$7,500.00
Transport Insurance	\$200.00
Transport of pet	\$1,200.00
Airfares and meals en route	\$800.00
Sale costs (previous dwelling)	\$22,000.00
Acquisition costs (new dwelling)	\$35,000.00
Connection of utilities	\$500.00
Packaging total	\$68,700.00



In total, Sally is able to salary package \$68,700 in relocation expenses for her move from Perth to Melbourne for her new employment position.



Example 2 – 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 almost 40%, and further benefits may be available where GST has been paid (subject to a valid Tax Invoice being supplied, and employer salary packaging policy).

Description	Without salary packaging	With salary packaging
Salary	\$95,000.00	\$95,000.00
Salary Packaging: Relocation Payments	\$0.00	\$7,300.00
Taxable Salary	\$95,000.00	\$87,700.00
Income Tax	\$22,647.00	\$20,050.00
Medicare Levy	\$1,900.00	\$1,754.00
After-tax Salary	\$70,453.00	\$65,896.00
Relocation Payments	\$7,300.00	\$0.00
Disposable Income	\$63,153.00	\$65,896.00
Saving		\$2,743.00

For more information on claiming Relocation Costs, please call our National Advisory Centre on 1300 133 697 or email customerservice@accesspay.com.au.