



REMOTE AREA BENEFITS

Salary Packaging - give yourself a pay-rise!

WHAT IS SALARY PACKAGING?

Salary Packaging is a tax effective way to receive your salary as a combination of income & benefits that allows you to deduct some of your pre-tax income & use it to pay for a variety of benefits.

By reducing your pre-tax income you can reduce the amount of income tax you pay & in turn increase the amount you take home each pay day.

REMOTE AREA BENEFITS

Employees based in an Australian Tax Office (ATO) designated remote area are eligible for additional benefits. These fringe benefit tax (FBT) exempt items are offered by the Federal Government to assist rural & remote organisations to attract & retain employees.

REMOTE AREA RENT

Employees renting a residence in a remote area can salary package 50% of rental payment as an FBT exempt benefit. Employees renting an Employer owned residence can claim 100% of rental payment as an FBT exempt benefit.

REMOTE AREA MORTGAGE

100% mortgage interest payments must be packaged to realise 50% exemption and also include FBT liability for the remaining 50%.

REMOTE AREA FUEL

Remote area fuel packages also need the correct FBT liability and this is packaged in the same format as the remote area mortgage interest.

**Contact SPA to find out if these benefits could be beneficial based on your own personal circumstances. Please note the fee structure may vary upon payroll frequency and total employee numbers*

Gary lives in a large regional country town

Gary earns an Annual salary of \$67,000 working for a local equipment firm and lives and works locally.

When SPA was approached by the employer to see if there were salary packaging opportunities for their staff members, both Gary and Jennifer were pleasantly surprised.

Gary and Jennifer are saving to buy their house.

Due to the nature and location of Gary's employer, the salary packaging benefit "Remote Area Rent" under the Fringe Benefits Tax Assessment Act could be utilised to help him save tax while living and working in a Remote area.

FOR EXAMPLE:

Gary earns \$67,000 per annum

Gary is taxed on \$67,000

Gary's tax burden is \$12,082

Gary's take-home pay is \$54,918

Gary pays rent of \$13,000 per annum

Gary's take-home pay after rent is \$41,918

With salary packaging Gary still earns \$67,000 per annum.

BUT 50% of the rent is tax-free.

Gary is **taxed on \$60,500.**

Including SPA's admin fee, Gary's revised **tax burden is \$9,747.**

Gary pays the balance of the rent in after-tax dollars.

Gary's take-home pay after rent by using salary packaging is \$44,253.

Gary has saved \$2,335 in tax by activating a salary packaging benefit.

See how SPA can help
decrease your expenditure
whilst saving you income tax each pay cycle!



Vehicles



Superannuation



Insurance



Mortgage



Rent



Work Equipment



Education



Memberships

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