



Context and Purpose

These guidelines support the University's commitment to maximise its appeal as a preferred institution and employer of choice. These guidelines provide direction for University staff members when salary sacrificing relocation expenses.

These guidelines should be read in conjunction with the Salary Sacrifice Guidelines.

Disclaimer

The University of South Australia, its staff members or agents are not engaged in rendering advice and any information received should be confirmed with independent sources i.e. Accountant or Financial adviser. Any cost incurred in obtaining financial advice is the responsibility of the staff member.

The University of South Australia accepts no liability should the staff member fail to seek financial advice or for financial and taxation advice received by the staff member. A directory of financial planners is available from the Financial Planning Association at <http://www.fpa.asn.au/>

Responsibility

Responsibility for the application of these guidelines rests with:

- > Executive Director: People, Talent and Culture
- > Consultant: Payroll Services
- > University Taxation Manager

Definitions

Base Salary is the annual salary as defined in relevant UniSA Collective/Enterprise Agreement excluding any allowances or additional payments.

Benefits are any non-cash items received in lieu of cash salary (e.g. car parking, laptop).

Exempt Benefit is a benefit that does not attract FBT.

Fringe Benefits refers to benefits provided to staff members in addition to their salary or wages (e.g. motor vehicles, laptops).

Fringe Benefits Tax (FBT) is a tax on benefits provided by an employer to their staff members as a result of their employment. The tax is payable by the employer to the ATO.

Gross(ed) Up is an assessment of what the staff member would have paid for the benefit had it not been salary sacrificed. The grossed up figure is then used to calculate the FBT.

GST refers to Goods and Services Tax. This is a tax levied by the ATO for the supply of services or goods.

Input Tax Credits refers to the reimbursement of GST to a registered business.

Marginal Tax Rate is the tax rate payable on a staff member's gross salary.

Pay As You Go (PAYG) is tax deducted from salary and wage earners each pay period. This is the system for the collection and payment of income tax by the ATO.

Salary Sacrifice are payments made for benefits before tax and include items that may incur FBT.

Salary Sacrifice Agreement (SSA) is a written arrangement that acknowledges salary sacrifice terms and conditions between the University and staff member.

Taxable Benefit is a benefit that attracts FBT.

Taxable Value is the taxable benefit received by a staff member less any after tax contribution the staff member has made towards the benefit.

A. Guiding Principles

1. The University provides a salary sacrifice scheme for eligible University staff members to claim fringe benefit tax (FBT) exempt relocation expenses by way of reimbursement. The reimbursement process includes the refunding of the goods and services tax (GST) paid and reducing the pay as you go (PAYG - income tax) by salary sacrificing the GST exclusive cost.
2. Staff members who are appointed on a continuing basis or on a fixed-term contract of at least twelve months are eligible to salary sacrifice. For further information please refer to the relevant UniSA Collective/Enterprise Agreement.
3. The Australian Taxation Office ([ATO FBT Guide](#)) details the various exemptions and concessions available for relocation expenses.

B. Salary Sacrifice Relocation Expenses

4. Relocation expenses include a range of expenses incurred when relocating interstate, internationally and locally. The expenses eligible to be salary sacrificed will be subject to:
 - 4.1. Being exempt from FBT.
 - 4.2. Expenses not reimbursed by the University to the staff member.
5. There are time limits and conditions that must be met before exemption/s can apply. Prior to claiming, to ensure that the claim is FBT exempt please refer to the [Fringe benefits tax - a guide for employers](#).
6. Benefits available for salary sacrificing that are FBT exempt are outlined in clauses 7 to 17 below..

Removal and storage of household effects (section 58B of the FBT Act)

7. The costs of removal, storage, packing, unpacking and insurance of household effects (including pets) kept primarily for the personal use of the staff member or family.
 - 7.1. Note: The removal or storage must commence, within twelve months of commencing employment at the new location.

Temporary accommodation at former location (section 61C of the FBT Act)

8. The cost towards accommodation for the staff member and family members is exempt if the former home is unavailable or unsuitable for occupancy as a result of furniture removal or other factors relating to the relocation.
9. The concession applies to the temporary accommodation for a maximum of twenty-one days, ending the day the staff member starts work at the new location.

Temporary accommodation at new location (section 61C of the FBT Act)

10. For the exemption to apply, the staff member must begin to make sustained and reasonable efforts to buy or lease suitable long-term accommodation as soon as reasonably practicable after starting work at the new locality.
11. The concession is ordinarily limited to a maximum occupancy period of four months. However, it may apply for a maximum of twelve months.

Temporary accommodation at new location (within 4 months)

- 11.1. The concession is limited to an occupancy period that begins seven days before the staff member starts work at the new location and ends when the staff member could reasonably be expected to occupy the home after it has been purchased or leased.

Temporary accommodation at new location (over 4 months)

- 11.2. The concession is limited to an occupancy period that begins seven days before the staff member starts work at the new location and ends on the earlier of:
 - 11.2.1. The staff member could reasonably be expected to occupy the home after it has been purchased or leased.
 - 11.2.2. Six months after the day the staff member started work at the new location, or
 - 11.2.3. Twelve months after the day the staff member started work at the new location.
- 11.3. The twelve month period will only apply where:
 - 11.3.1. The staff member owned an interest in their former home; and
 - 11.3.2. Within six months after the relocation day a contract for the sale of their former home has been entered into, and
 - 11.3.3. During that period, the staff member has attempted to purchase accommodation at the new location; otherwise the six month period will apply.
- 11.4. Note: An ATO approved declaration is required when the search for suitable permanent accommodation is for a period of over four months. Section A and D of the declaration must be completed plus either section B or C.
- 11.5. The declaration can be found on page 2 of the HRIS 054 'Agreement to Salary Sacrifice Relocation Expenses' form.

Connection or reconnection of certain utilities (section 58D of the FBT Act)

12. The connection and reconnection of gas, electricity and telephone services to the new home may be claimed. Several other requirements must be satisfied for the exemption to apply:
 - 12.1. In the case of telephone connections, the staff member must have had a telephone connected at the former residence.
 - 12.2. Where the staff member has permanently relocated, the benefits will be exempt only if the connection or reconnection of services is made within twelve months of the staff member starting work at the new location.

Sale or acquisition of dwelling (section 58C of the FBT Act)

13. Where these relocation expenses are incidental to the sale and/or purchase of a home by the staff member, the expenses may be exempt benefits. These include conveyancing, agent's fees, stamp duty, advertising, legal fees, discharge of mortgage, expenses or borrowing or similar capital expenses.
14. **IMPORTANT:** *both the exemptions relating to the sale of existing home and the purchase of a new home are dependent on the relocating employee owning a home at the old location and selling that home within two years of starting their employment at the new location for UniSA.*
15. For sale of existing home, exemption will depend on:
 - 15.1. The sale is made solely because the staff member changed their usual place of residence in order to carry out employment-related duties.
 - 15.2. The house was owned when the employer notified the staff member of the change to the new locality.
 - 15.3. The house was the staff member's usual place of residence.
 - 15.4. The sale contract was made within two years of commencing duty at the new locality.
 - 15.5. Note: The staff member does not have to purchase at new location.
16. For purchase of a new home, exemption will depend on:
 - 16.1. The staff member owned a home at the former locality.
 - 16.2. The purchase was made solely because of the relocation to another job locality.
 - 16.3. The new home was occupied as the staff member's usual place of residence.

16.4. The contract to purchase was made within four years of commencing duty at the new location.

Relocation Transport (section 58F of the FBT Act)

17. Transport costs incurred for the purpose of the staff member relocating in order to perform employment-related duties are exempt benefits. This includes:
 - 17.1. Cost of airline tickets, meals and accommodation en route for staff member and family members.
 - 17.2. Cost of airline tickets, meals, accommodation in order to find suitable accommodation prior the actual relocation taking place.
 - 17.3. The costs of travelling to an interview or selection test (section 58A of the FBT Act).
 - 17.4. Travelling costs by private vehicle may be salary sacrificed on a cents per kilometre basis up to Tax Office rates (or higher if more than one family member in the car).
 - 17.5. Note: In cases where the relocation is by private vehicle, the staff member is required to complete appendix 2 'Relocation Transport Declaration' to comply with ATO requirements.

C. Administration

Administrative Procedures

18. Please refer to the HRIS 054 Salary Sacrifice Relocation Expenses form for detailed procedures.

Reimbursement Substantiation

19. For a benefit to be eligible for salary sacrificing and claiming of the GST as an input tax credit the expense must be paid for by the staff member and the original tax invoice and proof of payment attached to the claim form.

Payment

20. Upon commencement of salary sacrificing, the following will be deducted from the staff member's base fortnightly salary:
 - 20.1. The cost of the benefit(s),
 - 20.2. Any FBT payable for the benefit, and
 - 20.3. The administration fee (if applicable).

Method

21. The staff member pays the relocation expenses, attaches the original tax invoice and proof of payment to salary sacrifice form HRIS 054 and forwards to the Consultant: Payroll Services.
22. The invoiced amount is salary sacrificed through the payroll system. The salary sacrifice process is taken over the least number of fortnights depending on the staff member's salary and current salary sacrifice arrangements.
23. The GST is reimbursed in the first fortnight and the PAYG tax savings are spread over the remaining number of fortnights.
24. The package cost includes the cost of the item plus the administration fee. The UniSA \$10 set up fee and \$5 per fortnight administration fee are salary sacrificed.
25. **Example:** A staff member with an annual salary of \$93,177 seeks to salary sacrifice relocation expenses for \$22,000 (GST inclusive) over one year (26 fortnights).

Salary Component	Without Sacrificing Per Annum \$	With Sacrificing Per Annum \$
Gross Salary	\$93,177	\$93,177
Less pre-tax relocation expenses (w/out GST)	-	\$20,000
Less pre-tax UniSA administration fees (26 f/n)	-	\$ 140
Taxable Gross Salary	\$93,177	\$73,037

Note: Please refer to the [ATO Withholding Calculator](#) if you require information on changes to your Tax due to this arrangement.

FBT

26. The current FBT rate used for calculation purposes is based on the top marginal rate including the Medicare levy.
27. The FBT year runs from 1 April to 31 March. Please refer to the [current ATO FBT rates](#).

Leave with Pay and Leave without Pay

28. The salary sacrifice process will continue when a staff member is on paid leave.
29. The salary sacrifice process will cease during periods of leave without pay.

Termination of Employment

30. If employment terminates before the full amount is able to be salary sacrificed, any outstanding amount will not be processed.

D. Employer Obligations

31. The employer is responsible for:
 - 31.1. Salary Sacrifice of the selected benefit item(s) in accordance with the instructions received on completion of the relevant application and agreement forms.
 - 31.2. Obtaining and storing benefit substantiation for ATO compliance and audit purposes.
 - 31.3. Providing factual information through explanation of UniSA salary sacrificing arrangements.

E. Staff Member Obligations

32. The staff member is responsible for:
 - 32.1. Informing the Consultant: Payroll Services of any change to the salary sacrifice agreement, employment status or salary payments which may affect the salary sacrifice arrangements.
 - 32.2. Payment of any additional taxes or costs the University incurs as a result of the salary sacrifice agreement.
 - 32.3. Seeking financial and/or taxation advice prior to commencing any salary sacrifice arrangement.

Related Documentation

- > [The Remuneration and Reward Policy \(Policy No HR-28.0\)](#)
- > [Salary Sacrifice Guidelines](#)
- > [Chapters 19 and 20 Australian Taxation Office, Fringe Benefits Tax: A Guide for Employers](#)

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History: This procedure supersedes the procedural detail in:

- > Updated: April 2012
- > Amended: July 2017
- > Amended: January 2019
- > Amended: January 2020
- > Amended: April 2022
- > Updated: October 2023