A living-away-from-home allowance is an allowance paid by the University to an employee to compensate for additional expenses incurred and disadvantages (if any) suffered solely because the employee is required to live away from home in order to carry out his or her employment duties. This does not include those expenses to which the employee would be entitled to claim as an income tax deduction.

Living-away-from-home allowances must be differentiated from travelling allowances.

**Calculation of Living-Away-From-Home-Allowance Taxable Value**

The taxable value is the amount of the allowance paid to the employee less:

- any part of the allowance which is reasonable compensation for the cost of accommodation of the employee at or near the employee’s workplace; and/or

- any part of the allowance which is reasonable compensation for increased expenditure on food, that is the amount over $42 a week for each adult and $21 a week for each child who is under 12 at the beginning of the relevant year of tax.

**Declaration**

To apply the reductions in the taxable value, the University must obtain from the employee a declaration in the form shown at 4.7 (Attachment A).

**Travelling Allowances**

A travelling allowance is paid to an employee to cover costs (e.g. fares, lodging, meals etc) incurred by the employee travelling as part of his/her employment duties.

Broadly speaking, the Commissioner of Taxation considers an employee to be travelling if they are away from home for less than 21 days. However, each case should be considered on its own facts. A period of travel greater than 21 days may be accepted in certain circumstances. In this situation it will be determined by reference to the employee’s usual place of residence, and factors such as:

- whether the employee is accompanied by their family;
- whether the employee chose to live at the place where the accommodation was provided;
- the extent to which they take or move personal belongings to the ‘new’ location; and
- whether the employee has a permanent home elsewhere.
A travelling allowance paid to an employee by the University is not subject to FBT but is assessable to the employee.

An allowance is treated differently to expense reimbursement, as FBT may arise on expenses reimbursed where the expenses are of a private nature.
Living Away From Home

An individual is considered to be living away from a usual place of residence if, but for having to change residence in order to work temporarily for their employer at another locality, the employee would have continued to live at the former place. An individual will only be living away from their usual place of residence where they have an intention to return to their former place of residence on cessation of work at the temporary job locality. In this situation there is a change of the employee’s job location for a temporary period of time and they will be living away from home.
Living-Away-From-Home Declaration

I, ___________________________ declare that:

(name of employee)

• during the period ______________ in the year________ to ______________ in the year_______

I was required to live away from my usual place of residence in order to perform the duties of my employment and that during that period my usual place of residence was

___________________________________________________

(state place where you usually live)

and the nature of that residence was ___________________________________________; and,

• during the period the place at which I actually resided was

___________________________________________________

(state all addresses at which you resided while away from home in the period stated above)

___________________________________________________

Signature ____________________________________

Date         ____________________________________

This declaration must be completed when an employee is provided with an allowance to compensate for additional expenses incurred and disadvantages suffered (if any) whilst living away from his/her usual place of residence in order to perform employment duties.