

Remote Area Housing (Concessional Benefit)

Description

The cost of housing in a remote area may qualify for a 50% concession if

- the house is your primary residence (ie. where you live); and
- you are employed in a remote area.

The ATO definition of remote is basically a town that is 100km from a population centre of 130,000 or more. However, the ATO deems certain towns to be non-remote (refer Remote Area List 1 at www.ato.gov.au).

The concession applies to either:

- rent paid on an annual basis (eg. \$10,400, or \$400 a fortnight); or
- interest paid on your mortgage (over a 12 month period, or less if recently qualified for the concession).

The benefit is a 50% concession. For example, if your rent is \$10,400 a year, your salary package the full \$10,400, but only \$5,200 (50%) is applied to your salary package limit. Go Salary will assist with any claim.

Exclusions

The benefit is available on your primary residence only (not an investment property or holiday house). Interest is only allowed if the mortgage is used exclusively for housing purposes. The loan may not be used for lifestyle (eg. buy a car, holiday, living expenses etc).

Housing (or employment) in a non remote area, as defined by the ATO.

Limit

You may only claim the **actual annual cost** of your rent or the interest paid on your mortgage for the previous 12 months (or less a period, if you only recently qualified for remote area housing).

Substantiation

For rent, you will need to provide a rental agreement or a letter confirming the rental amount from your agent or landlord.

For interest on your mortgage, you will need to provide a bank statement for the interest paid in the previous 12 months (or interest paid since qualifying for the concession).

Substantiation will be required each year, as there is an annual qualification review. The mortgage interest value will be adjusted annually (to reflect interest paid the previous 12 months). Rent will be adjusted for any change in the annual rental cost.

What happens with my pay?

The amount claimed will be deducted from your pay pre tax, in addition to any other benefits. The amount deducted is then reimbursed into your nominated bank account as a single deposit with your other salary packaging deductions.

For example, if your rent is \$10,400 a year, \$400 is deducted from your salary pre tax and paid tax into your bank account each fortnight.

Reporting

No, the benefit is not reported on your Payment Summary.

Questions?

Email info@gosalary.com.au

Ask Amy at gosalary.com.au