What is the Relocation Benefit?

The Relocation Benefit is designed to assist people relocating for employment purposes.

Packaging incidental costs associated with relocating can lead to tax savings as they are eligible for exemptions from Fringe Benefit Tax (FBT).

What is the Relocation Benefit?

An employee can salary package the incidental costs of buying and selling a home when relocating for work. The Relocation benefit is an exempt benefit.

To qualify, an employee must relocate to take up a permanent position because of an employment secondment or in response to an advertised job.

As your salary packaging provider, tasked by your employer to maintain compliance with ATO guidelines, we will request evidence of eligibility including a Relocation Request from HR or the Job Advertisement.

What can be claimed?

An employee can claim incidental costs associated with selling their previous dwelling, as well as incidental costs associated with buying a new dwelling at their destination.

The employee's previous dwelling must have been their usual place of residence to qualify for the Relocation benefit. Expenses that can be claimed for both are:

- Stamp duty
- Real Estate Advertising costs
- Legal services such as conveyancing
- Finance Discharge fees
- Finance Borrowing fees
- Agents Costs and Commissions
- Associated capital expenses such as building surveys, pest inspections and geotechnical reports

What cannot be claimed for either sale is:

- Loan interest
- Annual insurance
- Rates
- Council costs

Previous home claims

An employee has 2-years from starting at their relocated employment in which to claim the incidental costs of selling their previous dwelling.

New home claims

An employee has 4-years from starting at their relocated employment in which to claim the incidental costs of buying a new home at their destination.

To set-up this expense, the employee nominates how they would like the benefit reimbursed whether it be over several pays, or smaller amounts ongoing.

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