

**Business Name:**

[illegible]

Date \_\_\_\_\_



# SCHEDULE F 2018/19 LIVING AWAY FROM HOME ALLOWANCE FRINGE BENEFITS

A living away from home allowance (LAFHA) is paid to an employee who is living away from home for employment purposes (as opposed to travelling on business). It is generally accepted that an employee is travelling if they are away from home for a period not exceeding 21 days. Some of the factors that indicate that an employee is travelling include that he or she is not accompanied by family members, stays in temporary accommodation (e.g. motel), the employee does not take residential belongings and the employee continues to reside at their existing location.

A living away from home allowance paid to an employee is a fringe benefit. The allowance compensates the employee for the additional costs incurred and any disadvantages suffered because the employee is required to live away from their usual place of residence to perform their work duties. Like all fringe benefits, the allowance is not taxed in the hands of the employee and is subject to FBT in the hands of the employer.

The taxable value of the allowance is the amount paid less: any part of the allowance that is reasonable compensation for the cost of accommodation; and/or any part of the allowance that is reasonable compensation for the additional costs of food.

If the allowance includes an amount to cover all the employee's food costs, the 'statutory amount' (i.e. \$265 for an adult, \$67 for a child) of the food component will be subject to FBT (these amounts need to be pro-rated if the employee is not away for the full week).

If the allowance includes an amount to cover the employee's additional food costs, the full food component will be exempt provided it does not exceed the 'reasonable' limit for the year.