

Remote Area Housing - Alice Springs Crew Only

RFDS Central Operations provides Remote Area Housing assistance (RAH) to operational personnel located in Alice Springs, namely Flight Nurses, Pilots and Engineers.

Effective 1 April 2020 the amount of the RAH payable to full-time equivalent (FTE) staff is \$180.50 per week. For part-time staff, the RAH amount will be apportioned in accordance with their employment status, i.e. a 0.5 FTE employee is entitled to 50% of the RAH.

The RAH will be increased on 1 April each year in accordance with the Consumer Price Index (CPI) (all indices) Australia figure released for the year ending in the previous December quarter.

You may receive the RAH directed towards your costs of housing, as additional superannuation or as wages. Unless it is to be received as wages you will need to enter into a salary sacrifice agreement for the amount with the RFDS. That agreement will ensure that your future earnings are directed to the benefit that you require and are treated as such for taxation purposes. Where it is directed towards the costs of housing we will require certain documentation of the residence or mortgage to meet taxation requirements.

RAH can be received as follows:

If you are renting:

The employee's existing rental payments for their own personal housing accommodation in which they currently reside; OR

If you have purchased:

The employee's own personal housing accommodation in which they reside; OR

Special concessions are available for some of the above as explained in the following table.

As additional superannuation:

The employee's individual superannuation in their own right; OR

As wages:

The employee's salary.

If this option is selected the payment will be inclusive of any superannuation obligations.

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1.1 Fringe benefit impact

In accordance with the RFDS Salary Packaging Policy, those employees who elect to have the RAH directed towards their rent or purchase costs will have the amount **included within their maximum fringe benefit of \$15,899 or \$10,934**, as applicable. The amount of the RAH that is counted towards these maximums is as follows:

#	Remote Area Housing Assistance directed to:	Implication:
1	The employee's existing rental payments for their own personal housing accommodation in which they currently reside	50% of the RAH will be assigned as a taxable Fringe Benefit, and will be taken into account of the \$15,899 or \$10,934, whichever is applicable, in accordance with RFDS Salary Packaging Policy.
2.	The employee's purchase costs for their own personal housing accommodation in which they reside – where purchased <u>on or after</u> commencing employment with RFDS	50% of the RAH will be assigned as a taxable Fringe Benefit, and will be taken into account of the \$15,899 or \$10,934, whichever is applicable, in accordance with RFDS Salary Packaging Policy.
3.	The employee's purchase costs for their own personal housing accommodation in which they reside – where purchased <u>prior</u> to commencing employment with RFDS	100% of the RAH will be assigned as a taxable Fringe Benefit, and will be taken into account of the \$15,899 or \$10,934, whichever is applicable, in accordance with RFDS Salary Packaging Policy.
4.	The employee's individual superannuation in their own right	Is not a Fringe Benefit and Superannuation Tax Law is applicable. Not included within the \$15,899 or \$10,934.
5.	The employee's salary	Is not a Fringe Benefit and PAYG tax is applicable. Not included within the \$15,899 or \$10,934.

1.2 Reportable fringe benefits

RFDS may be required to disclose an amount on employee year end Payment Summaries as a Reportable Fringe Benefit. This may apply to those employees who elect to have the RAH directed towards their rent or purchase costs.

The amount reported is used in the calculation of HELP, child Support, Medicare Levy Surcharge and some other government allowances.

Independent financial advice should be sought to determine the financial effect on your individual circumstances. It is the responsibility of the employee to

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understand their salary packaging arrangements, to assess this financial effect and make an informed decision.

1.3 Administration

Any amendment to an Employee's RAH, such as change in amount or where it is directed to, must be advised by the employee to Human Resources Department immediately and salary packaging adjustments will be undertaken where applicable.

The RFDS will not be liable for any FBT, taking into consideration all benefits paid to employees. Any FBT will be payable in full by the employee and will be reconciled and paid by the employee to the RFDS by 31st May of the relevant year, e.g. FBT year ending 31 March 2007 will be payable in full by 31 May 2007.

Any changes to Tax Legislation and Regulatory requirements will be reflected with an immediate change or removal of options offered.

Any adjustments to salary benefits that give rise to a fringe benefit will require salary packaging arrangements to be amended immediately.

Any changes in employee circumstances with where they are directing their RAH

