

HR & Tax Alert



Quality In Everything We Do

Australia - Living away from home allowance – Food guidelines

April 2007

Executive summary

The Tax Commissioner has recently issued a tax determination that sets out the amounts that represent a reasonable food component of a living away from home allowance for the fringe benefits tax year commencing 1 April 2007.

The table below serves as a useful guide to employers by breaking down the reasonable amounts into the statutory and exempt components, and the maximum amounts that can be paid to employees on a tax-free basis for each family size.

Background

Under the Fringe Benefits Tax (FBT) rules, individuals who satisfy the living away from home criteria can be paid a living away from home allowance (LAFHA) which benefits from concessional tax treatment. There are two components of LAFHA - accommodation and reasonable food. Each year the Australian Tax Office (ATO) issues guidelines for the amount of the food component it will regard as reasonable.

Please note this information assumes the employee qualifies for the tax concessional treatment in the first instance.

Reasonable food component of a living away from home allowance FBT year commencing 1 April 2007

Family groupings		Weekly \$	Monthly \$	Annually \$
One adult	Reasonable food component	206.00		
	Statutory food amount	42.00		
	Exempt food component	164.00	710.66	8,528.00
Two adults	Reasonable food component	330.00		
	Statutory food amount	84.00		
	Exempt food component	246.00	1,066.00	12,792.00
Three adults	Reasonable food component	370.00		
	Statutory food amount	126.00		
	Exempt food component	244.00	1,057.33	12,688.00
Two adults and one child	Reasonable food component	370.00		
	Statutory food amount	105.00		
	Exempt food component	265.00	1,148.33	13,780.00
Two adults and two children	Reasonable food component	370.00		
	Statutory food amount	126.00		
	Exempt food component	244.00	1,057.33	12,688.00

Reasonable food component of a living away from home allowance FBT year commencing 1 April 2007

Two adults and three children	Reasonable food component	432.00		
	Statutory food amount	147.00		
	Exempt food component	285.00	1,235.00	14,820.00
Three adults and one child	Reasonable food component	432.00		
	Statutory food amount	147.00		
	Exempt food component	285.00	1,235.00	14,820.00
Three adults and two children	Reasonable food component	493.00		
	Statutory food amount	168.00		
	Exempt food component	325.00	1,408.33	16,900.00
Four adults	Reasonable food component	493.00		
	Statutory food amount	168.00		
	Exempt food component	325.00	1,408.33	16,900.00

(*Adult for this purpose are persons aged 12 years or more before 1 April 2007*) In relation to larger family groupings, the ATO accepts a food component based on the above figures plus \$124 for each additional adult and \$61 for each additional child.

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