

One Step
Ahead



AUSTRALIA – ATO RELEASES NEW REASONABLE FOOD ALLOWANCES RATES

April 1, 2004

The Australian Taxation Office released yesterday the new reasonable food component amounts to be used in calculating the tax exempt food allowance which may be paid to assignees who are living away from home during the Fringe Benefit Tax (FBT) year ending 31 March 2005. The amounts result from the indexation of the previous year's food component. You may wish to adjust the amount of Living Away From Home Food Allowances paid to your expatriate employees in accordance with the table below.

Reasonable Tax Exempt Food Allowance Rates

FBT Year ending 31 March 2005

Family Size	Allowance per week	Deduct	Deduct	Tax Exempt Allowance per week A\$	Tax Exempt Allowance per annum A\$
	A\$	\$42 per adult	\$21 per child		
1 Adult	176	42	0	134	6,968
2 Adults	282	84	0	198	10,296
3 Adults	318	126	0	192	9,984
2 Adults 1 Child	318	84	21	213	11,076
2 Adults 2 Children	318	84	42	192	9,984
2 Adults, 3 Children	370	84	63	223	11,596
3 Adults, 1 Child	370	126	21	223	11,596
3 Adults, 2 Children	423	126	42	255	13,260
4 Adults	423	168	0	255	13,260

Children are persons younger than 12 years of age at the beginning of the FBT year (ie. 1 April)

*In relation to larger family groups, the ATO accepts a food component based on the above plus \$107 per week for each additional adult and \$53 per week for each additional child.

Please note that there are specific criteria which must be met for an individual to be considered living away from home. Should you require any assistance in determining whether your employees meet these criteria or if you require assistance regarding documentation and implementation of the allowance, please do not hesitate to contact us.

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