

## Annex A: Tax alerts for ADF pay and conditions of service within Australia

Item	Column 1 PACMAN Reference	Column 2 Benefit	Column 3 FBT applies	Column 4 FBT reporting	Column 5 Taxable income	Column 6 Income tax exempt	Column 7 Other/Notes
	<b>Chapter 2</b>	<b>Joining and Leaving the ADF</b>					
1.	Chapter 2 Part 1 Division 1 section 2.1.4	Travel, accommodation and meal benefits	N	N	N	N	Exempt benefit. No tax consequences.
2.	Chapter 2 Part 1 Division 1 section 2.1.7	Loss of wages or salary	N	N	Y	N	Salary or wages repaid is assessable income.
3.	Chapter 2 Part 2 Division 5 section 2.2.23	Career transition training	Y	Y	N	N	Assistance relating to training to gain new skills is subject to FBT and FBT reportable.
4.	Chapter 2 Part 2 Division 6	Career transition management coaching	Y	Y	N	N	Subject to FBT and reportable.
5.	Chapter 2 Part 2 Division 7	Curriculum vitae coaching	Y	Y	N	N	Subject to FBT and reportable.
6.	Chapter 2 Part 2 Division 8	Financial counselling	Y	Y	N	N	Subject to FBT and reportable.
7.	Chapter 2 Part 3 Division 1	Redundancy	N	N	Y	N	If the payment is a bona fide redundancy, the payment is eligible for concessional tax treatment. Seek advice.  If member resumes service within 1 year, member may need to amend tax return in respect of their repayment obligation.
8.	Chapter 2 Part 3 Division 2	Gratuities on retirement and invalidity	N	N	Y	N	This may be an Eligible Termination Payment ("ETP"). Seek advice.

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	<b>Chapter 3</b>	<b>ADF Salaries and Bonuses</b>					
9.	Chapter 3 Part 1	Salaries	N	N	Y	N	For members of the Reserves not on continuous full-time service, all Reserve pay and allowances are tax exempt. All fringe benefits also exempt for these members of the Reserves.
10.	Chapter 3 Part 2 Division 3	Salary increments	N	N	Y	N	For members of the Reserves not on continuous full-time service, all Reserve pay and allowances are tax exempt. All fringe benefits also exempt for these members of the Reserves.
11.	Chapter 3 Part 2 Division 5	Salary non-reduction	N	N	Y	N	Refer above
12.	Chapter 3 Part 4	Overpayments and recovery	Y	Y	N	N	Member may need to request that the ATO amend their tax return.  The salary overpayment may constitute a loan fringe benefit from the time an agreement is entered into for the salary repayment unless the deemed interest on the overpaid amount is less than \$100 (minor, infrequent benefit).
13.	Chapter 3 Part 5 Division 1	Military Superannuation and Benefits Scheme retention benefit	N	N	Y	N	Can be salary packaged subject to criteria. Call DTMO.  <b>Exception:</b> Income tax exempt if paid during warlike deployment (section 23AD exemption).  Because the benefit is earned regardless of deployment on a non-warlike operation (section 23AG) the income will be subject to income tax.

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14.	Chapter 3 Part 5 Division 4	Navy-Electronics Technical (junior sailor)	N	N	Y	N	Can be salary packaged subject to conditions. For further information call DTMO.  <b>Exception:</b> Income tax exempt if paid during warlike deployment (section 23AD exemption).  Because the benefit is earned regardless of deployment on a non-warlike operation (section 23AG) the income will be subject to income tax.
15.	Chapter 3 Part 5 Division 5	Navy – Marine Technical and Electronics Technical (sailors)	N	N	Y	N	Can be salary packaged subject to conditions. For further information call DTMO.  <b>Exception:</b> Income tax exempt if paid during warlike deployment (section 23AD exemption).  Because the benefit is earned regardless of deployment on a non-warlike operation (section 23AG) the income will be subject to income tax.
16.	Chapter 3 Part 7	Salary and allowances during detention or suspension	–	–	–	–	Do not give rise to any new entitlements. Same tax treatment applies in accordance with the relevant tax alerts.

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	<b>Chapter 4</b>	<b>ADF Allowances and reimbursements</b>					
17.	Chapter 4 Part 1	Higher duties allowance	N	N	Y	N	<b>Exception:</b> Income tax exempt if paid during warlike deployment (section 23AD exemption) or if exempt because of section 23AG (foreign-derived employment income).
18.	Chapter 4 Part 2 Part B Division B.2	Service allowance	N	N	Y	N	No tax deduction is allowable specifically in respect of this allowance.
19.	Chapter 4 Part 2 Part B Division B.3	Separation Allowance	N	N	N	Y	Taxation Ruling 95/17 states that a separation allowance constitutes exempt income.
20.	Chapter 4 Part 2 Part B Division B.4	Adventurous training instructor allowance	N	N	Y	N	
21.	Chapter 4 Part 2 Part B Division B.5	Arduous conditions allowance	N	N	Y	N	No tax deduction is allowable specifically in respect of this allowance.
22.	Chapter 4 Part 2 Part B Division B.6	Diving allowance	N	N	Y	N	No tax deduction is allowable specifically in respect of this allowance.
23.	Chapter 4 Part 2 Part B Division B.7	Flying disability allowance	N	N	Y	N	Self-education expenses may be allowable tax deductions in respect of this allowance depending on individual circumstances
24.	Chapter 4 Part 2 Part B Division B.8	Submarine escape allowance	N	N	Y	N	No tax deduction is allowable specifically in respect of this allowance.
25.	Chapter 4 Part 2 Part B Division B.9	Maritime disability allowance	N	N	Y	N	No tax deduction is allowable specifically in respect of this allowance.

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26.	Chapter 4 Part 2 Part B Division B.13	Field allowance	N	N	Y	N	No tax deduction is allowable specifically in respect of this allowance.
27.	Chapter 4 Part 2 Part B Division B.14	Clearance diver allowance	N	N	Y	N	No tax deduction is allowable specifically in respect of this allowance.
28.	Chapter 4 Part 2 Part B Division B.15	Unpredictable explosives allowance	N	N	Y	N	No tax deduction is allowable specifically in respect of this allowance.
29.	Chapter 4 Part 2 Part B Division B.16	Paratrooper allowance	N	N	Y	N	No tax deduction is allowable specifically in respect of this allowance.
30.	Chapter 4 Part 3 Division 4	Language proficiency allowance	N	N	Y	N	Self-education expenses may be allowable tax deductions in respect of this allowance depending on individual circumstances
31.	Chapter 4 Part 4 Divisions 1 & 2	District allowance	N	N	Y	N	Zone rebate may apply. No tax deduction is allowable specifically in respect of this allowance.
32.	Chapter 4 Part 4 Division 3	Port Wakefield allowance	N	N	Y	N	No tax deduction is allowable specifically in respect of this allowance.
33.	Chapter 4 Part 4 Division 4	Scherger allowance	N	N	Y	N	Zone rebate may apply.
34.	Chapter 4 Part 4 Divisions 5 & 6	Antarctic allowance	N	N	Y	N	Zone rebate may apply.
35.	Chapter 4 Part 4 Division 7	Antarctic – Common duties allowance	N	N	Y	N	No tax deduction is allowable specifically in respect of this allowance. Zone rebate may apply.
36.	Chapter 4 Part 4 Division 8	Antarctic parity allowance	N	N	Y	N	Zone rebate may apply.

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37.	Chapter 4 Part 5	Meal Allowance	N	N	Y	N	<p>If the meal allowance in connection with overtime is provided under an industrial agreement, and the allowance is within ATO reasonable rates, the allowance is not shown on member's Payment Summary and is not assessable income provided member is reasonably expected to incur meal costs equal to allowance.</p> <p>Otherwise, the meal allowance is assessable income for the member and the member is not entitled to a tax deduction for overtime meals purchased.</p>
38.	Chapter 4 Part 6 section 4.6.4	Membership of airline club	N	N	N	N	
39.	Chapter 4 Part 6 section 4.6.5	Mobile telephones and hand held devices	N	N	N	N	Assuming phone or hand held device is used primarily for work purposes.
40.	Chapter 4 Part 6 section 4.6.6	Executive vehicle allowance	N	N	Y	N	
41.	Chapter 4 Part 6 section 4.6.7	Parking space	Y	N	N	N	May be subject to FBT depending on the location of parking space and proximity to a commercial car parking station.
42.	Chapter 4 Part 7	Victoria Cross for Australia representational duties	Y	Y	N	N	Taxable value may be reduced if the "otherwise deductible" rule applies.

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43.	Chapter 4 Part 8 Division 1	Trainee's dependant allowance	N	N	Y	N	No tax deduction is allowable specifically in respect of this allowance.
44.	Chapter 4 Part 8 Division 2	Medical residency – additional salary	N	N	Y	N	
45.	Chapter 4 Part 8 Division 3	Former medical or dental officer – refresher training	N	N	Y	N	If the payment is towards the officer's course of study, the 'Otherwise Deductible' declaration for FBT purposes may reduce the taxable value, even to nil.
46.	Chapter 4 Part 8 Division 4	Australian Defence Force Academy textbooks	N	N	Y	N	If books are work-related, cost of books may be deductible. If the study is to better enable the member to discharge duties, cost of books may be deductible as a self-education expense (note possibility that first \$250 not deductible). (Assumes the books do not form a professional library).
47.	Chapter 4 Part 9 Division 1	Legal officer sessional fee	N	N	N	Y	All Reserve pay and allowances for members of the Reserves not on continuous full-time service are tax exempt. All fringe benefits provided in those circumstances are also exempt.
48.	Chapter 4 Part 9 Division 2	Airfield Defence Guards (annual proficiency bonus)	N	N	N	Y	All Reserve pay and allowances for members of the Reserves not on continuous full-time service are tax exempt. All fringe benefits provided in those circumstances are also exempt.
49.	Chapter 4 Part 10	Life insurance - additional risk insurance	Y	Y	N	N	Payment is exempt from FBT if paid to a member of the Reserves on Reserve service.

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	<b>Chapter 5</b>	<b>ADF Leave</b>					
50.	Chapter 5 Part 4 Division 2	Basic recreation leave	N	N	Y	N	<b>Exception:</b> Income tax exempt if paid during warlike deployment (section 23AD exemption)
51.	Chapter 5 Part 4 Division 3 section 5.4.13	Additional recreation leave - sea service	N	N	Y	N	
52.	Chapter 5 Part 4 Division 3 Clause 5.4.14	Additional recreation leave – field service	N	N	Y	N	
53.	Chapter 5 Part 4 Division 3 section 5.4.15	Additional recreation leave – flight duties	N	N	Y	N	
54.	Chapter 5 Part 4 Division 3 section 5.4.17	Service in a remote location	N	N	Y	N	
55.	Chapter 5 Part 4 Division 4	Extra recreation leave	N	N	Y	N	
56.	Chapter 5 Part 4 Division 6	Additional recreation leave for training (‘trainee leave’)	N	N	Y	N	
57.	Chapter 5 Part 4 Division 8	Payment or transfer of recreation leave credit	N	N	Y	N	Payment for unused annual leave is normally taxed at a member’s marginal tax rates but may be concessionally taxed if the payment is in respect of a bona fide redundancy, early retirement scheme or invalidity.
58.	Chapter 5 Part 5	Long service leave	N	N	Y	N	Payment for unused long service leave is normally taxed at a member’s marginal tax rates. However, it may be concessionally taxed if the payment is in respect of a bona fide redundancy, early retirement scheme or invalidity. Payments for unused long service leave accrued before 17 August 1993 are also concessionally taxed.



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59.	Chapter 5 Part 6	Maternity leave	N	N	Y	N	
60.	Chapter 5 Part 7	Parental leave	N	N	Y	N	
61.	Chapter 5 Part 8	War service leave	N	N	N	Y	Member requires a certificate for section 23AD purposes.
62.	Chapter 5 Part 9 Division 2	Compassionate leave	N	N	Y	N	
63.	Chapter 5 Part 9 Division 4	Special leave for private purposes	N	N	Y	N	
64.	Chapter 5 Part 9 Division 5	Examination leave	N	N	Y	N	
65.	Chapter 5 Part 9 Division 6	Travelling leave	N	N	Y	N	
66.	Chapter 5 Part 9 Division 7	Pre-deployment leave	N	N	Y	N	
67.	Chapter 5 Part 9 Division 8	Leave to attend civil court proceedings	N	N	Y	N	
68.	Chapter 5 Part 10	Leave without pay	N	N	N	N	No tax consequences apply.
69.	Chapter 5 Part 11 Division 1	Short absence from duty	N	N	Y	N	
70.	Chapter 5 Part 11 Division 2	Short absence for removal purposes	N	N	Y	N	
71.	Chapter 5 Part 11 Division 3	Short absence when not required for duty	N	N	Y	N	
72.	Chapter 5 Part 12	Public holidays	N	N	Y	N	
73.	Chapter 5 Part 13	Cancellation of, or recall from, leave	Y	Y	N	N	Taxable value for FBT purposes may be reduced if remote area or overseas holiday travel concessions apply.

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	<b>Chapter 6</b>	<b>ADF relocation on posting in Australia</b>					
74.	Chapter 6 Part 1 Division 1 sections 6.1.3 to 6.1.11	Disturbance Allowance	N	N	N	Y	Taxation Ruling 95/17 states that a disturbance allowance constitutes exempt income.
75.	Chapter 6 Part 1 Division 1 section 6.1.12	Payment because of a child changing schools	N	N	N	Y	Taxation Ruling 95/17 states that an education allowance constitutes exempt income.
76.	Chapter 6 Part 1 Division 1 section 6.1.13	Telephone installation or reconnection costs	N	N	N	N	Exempt fringe benefit if the member is required to re-locate and the necessary documentary evidence is provided.
77.	Chapter 6 Part 1 Division 1 section 6.1.14	Private vehicle transfer costs	N	N	Y	N	Not part of disturbance allowance.
78.	Chapter 6 Part 1 Division 2	Childcare costs on removal	N	N	Y	N	Not part of disturbance allowance.
79.	Chapter 6 Part 1 Division 3	Pet relocation	N	N	N	N	Documentary evidence required if the payment constitutes an expense payment benefit. Pet must be re-located within 12 months of member starting duty at new location.
80.	Chapter 6 Part 2 sections 6.2.2 & 6.2.3	Furniture and effects - compensation for loss on sale	N	N	Y	N	Alternatively, the amount received by the member may be relevant for capital gains tax purposes if the relevant item was acquired for more than \$10,000 or is a collectable.
81.	Chapter 6 Part 2 sections 6.2.4 & 6.2.5	Private vehicles – loss on sale	N	N	Y	N	The sale of a car is not subject to capital gains tax, but may have income tax consequences in limited circumstances.
82.	Chapter 6 Part 4 section 6.4.8	Payment for the costs of insuring urgently required household items	N	N	N	N	The member may be required to give other declarations or documentation to Defence.

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83.	Chapter 6 Part 5 Division 2	Removal of furniture and effects, including hire of replacement household items	N	N	N	N	<p>If the member <b>changes</b> their usual place of residence, the benefit is only exempt from FBT if the removal or storage occurs within 12 months from the day the member starts duty at the new location.</p> <p>If the member is <b>living away</b> from their usual place of residence, the benefit is exempt from FBT.</p> <p>If an expense payment benefit arises, documentary evidence is required.</p>
84.	Chapter 6 Part 5 Division 3 section 6.5.19	Compassionate removal to a personal location where benefits are provided	Y	N	N	N	<p>Benefit is subject to FBT because family member is not taking up residence at the member's new location.</p> <p>Benefit is not reportable because member is directed to change residence and removal arises from the direction.</p>
85.	Chapter 6 Part 5 Division 3 section 6.5.20 & 6.5.21	Removal to a personal location where benefits are provided instead of a remote location	Y	N	N	N	<p>Benefit is subject to FBT because family member is not taking up residence at the member's new location.</p> <p>Benefit is not reportable because member is directed to change residence and removal arises from the direction.</p>

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86.	Chapter 6 Part 5 Division 3 section 6.5.22	Removal of dependants from chosen location to member's current posting location	Y	N	N	N	<p>If the member <b>changed</b> their usual place of residence, the benefit is only exempt from FBT if the dependants' removal or storage occurred within 12 months from the day the member started duty at the new location.</p> <p>If the member is <b>living away</b> from their usual place of residence, the benefit is exempt from FBT.</p> <p>If an expense payment benefit arises, documentary evidence is required.</p> <p>Benefit is not reportable because member is directed to change residence and removal arises from the direction.</p>
87.	Chapter 6 Part 5 Division 4	Postings or deployments	N	N	N	N	<p>If the member <b>changes</b> their usual place of residence, the benefit is only exempt from FBT if the removal occurs within 12 months from the day the member starts duty at the new location.</p> <p>If the member is <b>living away</b> from their usual place of residence, the benefit is exempt from FBT.</p> <p>If an expense payment benefit arises, documentary evidence is required.</p> <p>Benefit is not reportable because member is directed to change residence and removal arises from the direction.</p>

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88.	Chapter 6 Part 5 Division 5	Vehicle removal	N	N	N	N	<p>If the member <b>changes</b> their usual place of residence, the benefit is only exempt from FBT if the removal occurs within 12 months from the day the member starts duty at the new location.</p> <p>If the member is <b>living away</b> from their usual place of residence, the benefit is exempt from FBT.</p> <p>If an expense payment benefit arises, documentary evidence is required.</p> <p>Benefit is not reportable because member is directed to change residence and removal arises from the direction.</p>
89.	Chapter 6 Part 5 Division 6	Removal on ceasing continuous full-time service	N	N	N	N	<p>If the member changes their usual place of residence, the benefit is only exempt from FBT if the removal occurs within 12 months from the day the member starts employment with a non-ADF employer at the new location.</p> <p>If costs are capped at the cost of returning a member to their original place of enlistment, this constitutes an exempt benefit.</p> <p>If the member is living away from their usual place of residence, the benefit is exempt from FBT.</p> <p>If an expense payment benefit arises, documentary evidence is required.</p> <p>Members are generally not regarded as living away from home when they change their usual place of residence as a result of a posting,</p>

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90.	Chapter 6 Part 5 Division 7	Storage of furniture and effects	N	N	N	N	<p>If the member <b>changes</b> their usual place of residence, the benefit is only exempt from FBT if the storage occurs within 12 months from the day the member starts duty at the new location.</p> <p>If the member is <b>living away</b> from their usual place of residence, the benefit is exempt from FBT.</p> <p>If an expense payment benefit arises, documentary evidence is required.</p> <p>Benefit is not reportable because member is directed to change residence and removal arises from the direction.</p>
91.	Chapter 6 Part 5 Division 7 section 6.5.60	Storage on ceasing continuous full-time service	N	N	N	N	<p>If the member <b>changes</b> their usual place of residence, the benefit is only exempt from FBT if the storage occurs within 12 months from the day the member starts employment with a non-ADF employer at the new location.</p> <p>If costs are capped at the cost of returning a member to their original place of enlistment, this constitutes an exempt benefit.</p> <p>If the member is <b>living away</b> from their usual place of residence, the benefit is exempt from FBT.</p> <p>If an expense payment benefit arises, documentary evidence is required.</p> <p>Members are generally not regarded as living away from home when they change their usual place of residence as a result of a posting.</p>

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92.	Chapter 6 Part 5 Division 8	Member becomes a member with dependants	N	N	N	N	Same rules apply as Chapter 6 Part 5 Division 2 removals, except sections 6.5.67 to 6.5.72.
93.	Chapter 6 Part 5 Division 8 sections 6.5.67 to 6.5.72	Member becomes a member with dependants – marriage at posting location, additional dependants	Y	Y	N	N	Member may not be required to change their usual place of residence to perform their ADF duties. If member was living in, benefit would be excluded from reporting because dependants of member are prohibited from living in.
94.	Chapter 6 Part 5 Division 9	Member ceases to be a member with dependants	N	N	N	N	<p>If the member <b>changes</b> their usual place of residence, the benefit is only exempt from FBT if the removal or storage occurs within 12 months from the day the member starts duty at the new location.</p> <p>If the member is <b>living away</b> from their usual place of residence, the benefit is exempt from FBT.</p> <p>If an expense payment benefit arises, documentary evidence is required.</p> <p>Benefit is not reportable because member is directed to change residence and removal arises from the direction.</p> <p>Note the exception in section 6.5.72 in a limited circumstance.</p>

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95.	Chapter 6 Part 5 Division 9 section 6.5.75	Member ceases to be a member with dependants	Y	Y	N	N	These benefits refer to members removing their possessions to a different location from where they are serving.  If the member removes their effects to a location where they intend to live after leaving the ADF, the benefit is only exempt from FBT if the removal and storage occurs within 12 months from the day the member starts employment with a non-ADF employer at the new location.
96.	Chapter 6 Part 5 Division 10	Assistance for non-Service person on breakdown of marriage or partnership	Y	N	N	N	Benefit subject to FBT if benefit provided while member and spouse are still married. Benefit not subject to FBT if benefit provided when non-Service spouse is not a spouse for FBT purposes.  Benefit is not reportable.
97.	Chapter 6 Part 5 Division 11	Removal on death of a member	N	N	N	N	
98.	Chapter 6 Part 6	Expenses when a posting is cancelled	Y	Y	N	N	One of the requirements for receiving the benefit is that the goods or services are of no use to the member on their next posting. Whether or the member has received a property benefit that is subject to FBT and/or reportable depends on the nature of the reimbursement.



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	<b>Chapter 7</b>	<b>ADF Housing and Meals</b>					
99.	Chapter 7 Part 1 Division 4	House-hunting trips	N	N	N	N	FBT exempt if the member has accepted an offer to transfer.
100.	Chapter 7 Part 3 Division 1	Assistance for initial purchase of home	N	N	Y	N	
101.	Chapter 7 Part 3 Divisions 2 & 3	Repayment of costs for sale of home or subsequent purchase	N	N	N	N	<p>For the costs associated with the sale of an old dwelling by a relocating member to be FBT exempt, the member must sell their old dwelling within two years of starting their new posting.</p> <p>For the costs associated with the purchase of a new dwelling by a relocating member to be FBT exempt, the member must:</p> <ol style="list-style-type: none"> <li>a. sell their old dwelling within two years of starting their new posting; and</li> <li>b. enter into a contract for the purchase of a dwelling in the new location within four years of starting their new posting.</li> </ol> <p>The member may be required to give other declarations or documentation to Defence.</p> <p>Payments to the relocating member for interest, repayments of principal, loan service fees, discharge of a mortgage or expenses of borrowing where the money borrowed was not applied wholly in respect of the property being purchased or sold are not exempt from FBT.</p>

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102.	Chapter 7 Part 4	Value of living-in accommodation <b>net</b> of contributions for living-in accommodation	Y	N	N	N	<p>The taxable value for FBT purposes is the statutory annual value of the right to occupy the accommodation for a year, reduced by any contribution paid by the member. The statutory annual value is the market value of the accommodation in the first year. For subsequent years (until the 10th year), the market value may be used or the statutory annual value may be indexed.</p> <p>The member's living-in accommodation is FBT exempt if the accommodation qualifies as remote area accommodation, or if the member is living away from their usual place of residence and has completed the necessary declaration.</p>
103.	Chapter 7 Part 5	Temporary accommodation allowance – relocating	Y	N	N	N	<p>Declaration must be provided. Reduction in taxable value to nil for FBT purposes possible if member staying in temporary accommodation because they are changing their usual place of residence to carry out their ADF duties. Reduction subject to qualifying time limits.</p> <p>Member's contribution, if any, reduces any FBT liability.</p>
104.	Chapter 7 Part 5	Temporary accommodation allowance – living away from home including member with dependants (unaccompanied)	N	N	N	N	<p>A member performing temporary duty away from their posting location may be living away from home. In this case, the reasonable accommodation costs are an exempt benefit. All or part of meal may also be exempt. Living away from home declaration required.</p>

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105.	Chapter 7 Part 5 Division 4 section 7.5.24	Meal allowance in conjunction with temporary accommodation allowance	Y	Y	N	N	<p>Declaration must be provided. Reduction in taxable value for FBT purposes possible if member staying in temporary accommodation because they are changing their usual place of residence to carry out their ADF duties. Reduction subject to qualifying time limits.</p> <p>If reduction applies, first \$2 of meal fringe benefit provided to member or member's dependants, and first \$1 of meal fringe benefit provided child under 12 years of age, subject to FBT.</p> <p>If member receives living away from home allowance, meal component may be subject to FBT and reportable depending upon how the living away from home meal allowance is structured.</p> <p>No apparent exemption from reporting requirements.</p>
106.	Chapter 7 Part 6	Service residence	Y	N	N	N	<p>Taxable value of benefit for FBT purposes is reduced by any contribution paid by the member.</p> <p>Remote area housing is FBT exempt.</p>
107.	Chapter 7 Part 8	Rent allowance	Y	N	N	N	<p>The taxable value of the benefit for FBT purposes is basically the rent allowance received by the member.</p> <p>If benefit can be classified as remote area housing benefit, benefit is FBT exempt.</p> <p>Otherwise, housing assistance provided to a member in a remote area reduced by 50%.</p>

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108.	Chapter 7 Part 8 Division 6	Rent allowance – advances and repayments	Y	Y	N	N	Loan fringe benefit arises except if member is living away from home or living in temporary accommodation while relocating.  Seek advice to determine whether member qualifies for FBT exemption or reduction because member is living away from home or living in temporary accommodation while relocating.
109.	Chapter 7 Part 9 Division 1	Value of meals provided in Service messes <b>not</b> covered by contribution for meals	Y	Y	N	N	Value of benefit can be reduced, perhaps to nil, if: a. member pays mess fees in excess of ATO's meal rates; b. member is living away from home and completes a declaration (eg member not paying a contribution for living-in accommodation including a member with dependants (unaccompanied)); and c. member is travelling for work purposes.  If benefit is meal entertainment, benefit not reportable.
110.	Chapter 7 Part 9 Division 2 section 7.9.15 to 7.9.17	Food allowance for a member with dependants (unaccompanied) who lives out	N	N	N	N	If member is travelling, food allowance is not subject to FBT but may be assessable if exceeds reasonable amount.
111.	Chapter 7 Part 10	Utilities	Y	Y	N	N	Member's contribution reduces the taxable value for FBT purposes.

Item	Column 1 PACMAN Reference	Column 2 Benefit	Column 3 FBT applies	Column 4 FBT reporting	Column 5 Taxable income	Column 6 Income tax exempt	Column 7 Other/Notes
	<b>Chapter 8</b>	<b>Members and their Dependants</b>					
112.	Chapter 8 Part 4 Division 2	Education assistance – tuition assistance for students at new posting location, and children with special needs	Y	N	N	N	
113.	Chapter 8 Part 4 Division 3	Loss of scholarship	Y	N	N	N	
114.	Chapter 8 Part 4 Division 4	Education assistance – critical school year	Y	N	N	N	
115.	Chapter 8 Part 4 Division 5	Education assistance – tertiary	Y	Y	N	N	
116.	Chapter 8 Part 5	Emergency Support for Families Scheme	Y	Y	N	N	Where any of the services provided under the Emergency Support for Families Scheme are not available in the location and a service provider is sourced from another location to provide support to the member's dependents, the additional cost of travel which is organised through the Defence Travel Contract and is associated with that service provider should be added to the total cost of the service. The grossed-up fringe benefits amount reported on the member's summary payment summary.

Item	Column 1 PACMAN Reference	Column 2 Benefit	Column 3 FBT applies	Column 4 FBT reporting	Column 5 Taxable income	Column 6 Income tax exempt	Column 7 Other/Notes
	<b>Chapter 9</b>	<b>ADF Travel in Australia</b>					
117.	Chapter 9 Part 2 Division 1	Travel for applicants for entry into the ADF	N	N	N	N	
118.	Chapter 9 Part 2 Division 3	Travel for removal purposes	N	N	N	N	If a member's car expenses are reimbursed on a cents per kilometre basis, benefit not exempt but may qualify for concessional FBT treatment under section 61B. Documentary evidence required.
119.	Chapter 9 Part 2 Division 4	Travel on posting	N	N	N	N	If a member's car expenses are reimbursed on a cents per kilometre basis, benefit not exempt but may qualify for concessional FBT treatment under section 61B. Documentary evidence required.
120.	Chapter 9 Part 2 Division 5 section 9.2.23	Rejoining a ship that has sailed	N	N	N	N	
121.	Chapter 9 Part 2 Division 5 section 9.2.24	Recall for emergency duty	Y	Y	N	N	Travelling expenses not 'otherwise deductible'.
122.	Chapter 9 Part 2 Division 5 section 9.2.25	Travel during medical absence	Y	Y	N	N	Travelling expenses not 'otherwise deductible'. However, taxi travel for sick members is exempt from FBT.
123.	Chapter 9 Part 2 Division 5 section 9.2.26	Getting specialist medical or dental treatment for dependants in remote locations	Y	Y	N	N	Travelling expenses not 'otherwise deductible'.

Item	Column 1 PACMAN Reference	Column 2 Benefit	Column 3 FBT applies	Column 4 FBT reporting	Column 5 Taxable income	Column 6 Income tax exempt	Column 7 Other/Notes
124.	Chapter 9 Part 2 Divisions 6 & 7	Allowance for travel on ceasing continuous full-time service	N	N	N	N	<p>If the member <b>changes</b> their usual place of residence, the benefit is only exempt from FBT if the removal occurs within 12 months from the day the member starts employment with a non-ADF employer at the new location.</p> <p>If costs are capped at the cost of returning a member to their original place of enlistment or appointment, this constitutes an exempt benefit.</p> <p>If the member is <b>living away</b> from their usual place of residence, the benefit is exempt from FBT.</p> <p>If an expense payment benefit arises, documentary evidence is required.</p> <p>Members are generally not regarded as living away from home when they change their usual place of residence as a result of a posting.</p>
125.	Chapter 9 Part 2 Division 6 section 9.2.32	Allowance for travel on discharge – travel by private vehicle	N	N	N	N	If a member's car expenses are reimbursed on a cents per kilometre basis, benefit not exempt but may qualify for concessional FBT treatment under section 61B. Documentary evidence required.
126.	Chapter 9 Part 2 Division 8	Reserve members – duty travel	N	N	N	N	
127.	Chapter 9 Part 3 Division 1	Travel on marriage or ADF recognition of partnership	Y	Y	N	N	Member has already taken up residence in the new location and benefit would not qualify for relocation transport concessions.

Item	Column 1 PACMAN Reference	Column 2 Benefit	Column 3 FBT applies	Column 4 FBT reporting	Column 5 Taxable income	Column 6 Income tax exempt	Column 7 Other/Notes
128.	Chapter 9 Part 3 Division 2	Travel on breakdown of marriage or partnership	Y	N	N	N	Benefit subject to FBT if benefit provided while member and spouse are still married. Benefit not subject to FBT if benefit provided when non-Service spouse is not a spouse for FBT purposes.  Benefit is not reportable.
129.	Chapter 9 Part 3 Division 4	Reunion travel for members	Y	N	N	N	Value of reunion travel by a member in a <b>remote area</b> to visit a spouse or child may be eligible for 50% reduction by virtue of remote area holiday transport concession.
130.	Chapter 9 Part 3 Division 4 section 9.3.31	Reunion travel for members – reverse reunion travel	Y	Y	N	N	Reverse reunion travel (9.3.27) attracts FBT and is reportable.  Value of reverse reunion travel by a spouse or child to a member in a <b>remote area</b> may be eligible for 50% reduction by virtue of remote area holiday transport concession.  Exception to reporting requirement: Reunion travel for school students in a critical school year (see item 155).
131.	Chapter 9 Part 3 Division 5	Reunion travel for school students	Y	Y	N	N	Exception to reporting requirement: Reunion travel for school students in a critical school year.
132.	Chapter 9 Part 3 Division 6	Student reunion travel to members in remote locations	Y	Y	N	N	Value of reunion travel by a member in a remote area to visit a spouse or child may be eligible for 50% reduction by virtue of remote area holiday transport concession.  Exception to reporting requirement: Reunion travel for school students in a critical school year.
133.	Chapter 9 Part 3 Division 7	Reunion travel for tertiary students	Y	Y	N	N	No apparent reporting exemption



Item	Column 1 PACMAN Reference	Column 2 Benefit	Column 3 FBT applies	Column 4 FBT reporting	Column 5 Taxable income	Column 6 Income tax exempt	Column 7 Other/Notes
134.	Chapter 9 Part 3 Division 8	Compassionate travel	N	N	N	N	
135.	Chapter 9 Part 3 Division 9	Australians Dangerously Ill Scheme – within Australia	Y	Y	N	N	Benefits will not be subject to FBT if provided to a cadet (but not an officer or instructor of cadets) or a Reservist not on CFTS.  Benefits will not be subject to FBT where: <ul style="list-style-type: none"> <li>• The visitor is the member's spouse, child, parent or parent-in-law;</li> <li>• The visitor usually resides with the member; and</li> <li>• The member is travelling for work purposes, living away from home, or living in a remote area</li> </ul>
136.	Chapter 9 Part 3 Division 10	Travel of dependants on death of a member	N	N	N	N	
137.	Chapter 9 Part 3 Division 11	Spouse or partner accompanying member on business travel	Y	Y	N	N	Additional accommodation costs, meal costs, and travel costs in respect of spouse accompanying the member are subject to FBT and reportable. Meal entertainment benefits not reportable.
138.	Chapter 9 Part 4 Division 1	Recreation leave travel	Y	Y	N	N	
139.	Chapter 9 Part 4 Division 2	Pre-deployment leave travel	Y	Y	N	N	
140.	Chapter 9 Part 4 Division 3	Post-deployment travel	Y	Y	N	N	Benefit not likely to be received <b>immediately after</b> the member's deployment. Benefits provided to members immediately after their deployment in an operational area or if the member has been issued a written certificate from the CDF to the effect that they are on eligible duty with a specified organisation in a specified area outside Australia.

Item	Column 1 PACMAN Reference	Column 2 Benefit	Column 3 FBT applies	Column 4 FBT reporting	Column 5 Taxable income	Column 6 Income tax exempt	Column 7 Other/Notes
141.	Chapter 9 Part 4 Division 4	Remote location leave travel (RLLT) in non- ATO-defined remote locations	Y	Y	N	N	Where travel by a member (and/or their dependants) is from a non-ATO-defined remote location to a major population centre in Australia, the taxable value is at the full cost and reportable on the member's payment summary.  <b>Note:</b> Darwin, Cairns and Townsville are not ATO-remote locations.  <b>See:</b> For the list of ATO defined remote locations <a href="https://www.ato.gov.au/general/fringe-benefits-tax-(fbt)/in-detail/exemptions-and-concessions/fbt---remote-areas/#List_1">https://www.ato.gov.au/general/fringe-benefits-tax-(fbt)/in-detail/exemptions-and-concessions/fbt---remote-areas/#List_1</a>
		Remote location leave travel (RLLT) in ATO- defined remote locations	Y	N	N	N	Where travel by a member (and/or their dependants) is from an ATO-defined remote location to the nearest capital city, or another destination, the taxable value is reduced by 50% and is excluded from payment summary reporting.
			Y	Y	N	N	Where the travel entitlement is transferred to the family member(s) to travel to an ATO-defined remote location, the taxable value of the benefit is the full cost of travel and is reportable on the member's payment summary.  <b>Note:</b> Darwin, Cairns and Townsville are not ATO-remote locations.  <b>See:</b> For the list of ATO defined remote locations <a href="https://www.ato.gov.au/general/fringe-benefits-tax-(fbt)/in-detail/exemptions-and-concessions/fbt---remote-areas/#List_1">https://www.ato.gov.au/general/fringe-benefits-tax-(fbt)/in-detail/exemptions-and-concessions/fbt---remote-areas/#List_1</a>

Item	Column 1 PACMAN Reference	Column 2 Benefit	Column 3 FBT applies	Column 4 FBT reporting	Column 5 Taxable income	Column 6 Income tax exempt	Column 7 Other/Notes
142.	Chapter 9 Part 5 Division 2 sections 9.5.16 and 9.5.17	Travel costs while living out on a journey	N	N	N	N	Member travelling for work. Must repay unused cash advances.
143.	Chapter 9 Part 5 Division 2 section 9.5.20	Travel costs for member living in on a journey	N	N	N	N	Member travelling for work. Must repay unused cash advances.
144.	Chapter 9 Part 5 Division 2 section 9.5.21	Keeping accommodation while living in on temporary duty	N	N	N	N	Accommodation component of living away from home fringe benefit is exempt from FBT if reasonable. Living away from home declaration required.
145.	Chapter 9 Part 5 Division 2 section 9.5.22	Travel for more than 21 days	Y	Y	N	N	If member is travelling, allowance is exempt from FBT and income tax.  Possible living away from home fringe benefit arises food costs up to the statutory amount (\$42 per week) if meal costs exceed reasonable exempt food component.  Living away from home declaration required.
146.	Chapter 9 Part 5 Division 2 section 9.5.24	Accommodation and meals for dependants	Y	Y	N	N	Additional accommodation costs, meal costs, and travel costs in respect of spouse accompanying the member are subject to FBT and reportable.
147.	Chapter 9 Part 5 Division 2 section 9.5.25	Incidentals for a member on a course	N	N	N	N	Member travelling on duty. Must repay unused cash advances.
148.	Chapter 9 Part 5 Division 3 section 9.5.35	Travel costs while living out on a journey	N	N	N	N	Member travelling on duty.

Item	Column 1 PACMAN Reference	Column 2 Benefit	Column 3 FBT applies	Column 4 FBT reporting	Column 5 Taxable income	Column 6 Income tax exempt	Column 7 Other/Notes
149.	Chapter 9 Part 5 Division 3 section 9.5.39	Member living in during a journey	N	N	N	N	Member travelling on duty.
150.	Chapter 9 Part 5 Division 3 section 9.5.40	Keeping accommodation while living in on temporary duty	N	N	N	N	Accommodation component of living away from home fringe benefit is exempt from FBT if reasonable. Living away from home declaration required.
151.	Chapter 9 Part 5 Division 3 section 9.5.41	Travel for more than 21 days	Y	Y	N	N	If member is travelling, allowance is exempt from FBT and income tax.  Possible living away from home fringe benefit arises food costs up to the statutory amount (\$42 per week) if meal costs exceed reasonable exempt food component.  Living away from home declaration required.
152.	Chapter 9 Part 5 Division 3 section 9.5.43	Accommodation and meals for dependants	Y	Y	N	N	Additional accommodation costs, meal costs, and travel costs in respect of spouse accompanying the member are subject to FBT and reportable.
153.	Chapter 9 Part 6 Division 2 section 9.6.11	Authorised travel on duty	N	N	Y	N	Member travelling on duty. Defence shows cents per kilometre reimbursement on member's Payment Summary. Member claims a tax deduction for work-related travel (up to a maximum of 5,000 kilometres per year under that method).
154.	Chapter 9 Part 6 Division 3	Authorised travel on removal	N	N	N	N	Exempt benefit to the extent cents per kilometre rates paid to member are in accordance with ATO rates. If member's family members travel, the increased rate is also FBT exempt if rates are in accordance with ATO supplementary rates. Declaration required.

Item	Column 1 PACMAN Reference	Column 2 Benefit	Column 3 FBT applies	Column 4 FBT reporting	Column 5 Taxable income	Column 6 Income tax exempt	Column 7 Other/Notes
155.	Chapter 9 Part 6 Division 4	Authorised travel on other journeys	N	N	Y	N	Included on member's Payment Summary. Member cannot claim a tax deduction because travel is not work-related.
156.	Chapter 9 Part 7	Aircraft allowance	N	N	Y	N	
	<b>Chapter 10</b>	<b>Clothing and Personal Effects</b>					
157.	Chapter 10 Part 1	Uniform allowance	N	N	Y	N	A member may claim a tax deduction for actual expenses incurred to purchase, repair and maintain the military uniform (subject to the substantiation provisions) because the uniform is compulsory attire for employment purposes.
158.	Chapter 10 Part 2	Personal purchase of uniform articles	Y	Y	N	N	Taxable value can be reduced to nil if costs are work-related.  Members should be advised to fill out an 'Otherwise Deductible' declaration to reduce the taxable value to nil.
159.	Chapter 10 Part 3	Aide-de-camp and ADF advisor allowance	Y	Y	N	N	Taxable value can be reduced to nil if costs are work-related. However, in most cases, expenses for conventional clothing will not be tax deductible because the expenses are of a private nature.  Members should be advised to fill out an 'Otherwise Deductible' declaration to reduce the taxable value to nil if applicable.
160.	Chapter 10 Part 4	Loss or damage to clothing or personal effects	Y	Y	N	N	May be exempt from FBT as a minor benefit.  Members should contact DTMO for advice on items that may be exempt from FBT.
161.	Chapter 10 Part 5	Service police investigator plain clothes allowance	Y	Y	N	N	Taxable value is not reduced as the "otherwise deductible rule" does not apply.  Expenditures on conventional clothing are not tax deductible as these are private of nature.

Item	Column 1 PACMAN Reference	Column 2 Benefit	Column 3 FBT applies	Column 4 FBT reporting	Column 5 Taxable income	Column 6 Income tax exempt	Column 7 Other/Notes
	<b>Chapter 11</b>	<b>ADF-related Compensation</b>					
162.	Chapter 11 Part 2 Division 2	Additional death benefit (ADB)	N	N	N	N	The ADB is a capital payment. No income tax is payable.  As the ADB may be paid along with other amounts of compensation, members should be advised to seek independent advice on their taxation obligations.
163.	Chapter 11 Part 2 Division 3	Severe injury adjustment (SIA)	N	N	N	N	The SIA is a capital payment. No income tax is payable.  As the SIA may be paid along with other amounts of compensation, members should be advised to seek independent advice on their taxation obligations.
164.	Chapter 11 Part 2 Division 4	Avoidance of double benefits	–	–	–	–	If a member or dependant repays part of their additional death benefit or severe injury adjustment, the member or dependant should request from the ATO an amendment to their tax return including the Eligible Termination Payment (ETP), if lodged.
165.	Chapter 11 Part 2 Division 6 section 11.2.25	Reimbursement of cost of financial advice	Y	Y	N	N	The cost of obtaining financial advice in relation to an Eligible Termination Payment (ETP) constitutes an allowable deduction for tax purposes.  Members should be advised to fill out an 'Otherwise Deductible' declaration to reduce the taxable value to nil.

<b>Item</b>	<b>Column 1 PACMAN Reference</b>	<b>Column 2 Benefit</b>	<b>Column 3 FBT applies</b>	<b>Column 4 FBT reporting</b>	<b>Column 5 Taxable income</b>	<b>Column 6 Income tax exempt</b>	<b>Column 7 Other/Notes</b>
166.	Chapter 11 Part 3 section 11.3.2	Entitlement on death in relation to long service leave, annual leave, war service leave and other compensation	N	N	Y	N	Payments for a member's unused long service leave, annual leave and war service leave are not an Eligible Termination Payment (ETP). They may be eligible for concessional tax rates in certain circumstances. Seek specific advice. Payments for war service leave may be tax-exempt.  Compensation for loss or damage to clothing or personal effects would be treated as a fringe benefit provided to the member and reportable.
167.	Chapter 11 Part 3 Clause 11.3.3	Bereavement payment	N	N	N	Y	