

# Definition of wages summary

This summary has been compiled to provide an easy reference for employers. Please note it is intended as a guide only.

## What is remuneration?

Included in the definition of wages	NSW	WA	ACT	TAS
Annual leave (includes loadings) and public holiday pay (loading)	✓	✓	✓	✓
Accommodation allowance (award based allowance)	✓	✓	✓	✗
Board and lodging (where subject to FBT)	✓	✓	✓	✓
Bonuses	✓	✓	✓	✓
Car allowance and or expenses (pre-tax benefit)	✓	✓	✓	✗
Car parking (where subject to FBT)	✓	✓	✓	✓
Clothing allowance/expenses (where subject to FBT)	✓	✓	✓	✓
Commissions	✓	✓	✓	✓
Company car (private use)	✓	✓	✓	✓
Company house (rental value)	✓	✗	✓	✓
Construction related allowance	✓	✓	✓	✓
Director's fees (non-working)	✗	✗	✗	✓
Directors – payments to working directors	✓	✓ <sup>3</sup>	✓	✓
Dirt money	✗	✗	✗	✗
Dividends	✗	✗	✗ <sup>1</sup>	✗
Early retirement benefits	✗	✗	✗	✗
Entertainment allowance (subject to FBT)	✓	✓	✓	✓
Fringe benefits (at taxable or grossed up value)	✓ Gross	✓ Gross	✓ Gross	✓ Taxable
Fringe benefit exemptions	✗	✗	✗	✗
Honorariums	✗	✗	✗	✗
Housing loans (as part of salary package)	✓	✓	✓	✓
Laundry allowance	✓	✓	✓	✓
Living away from home allowance (where subject to FBT)	✓	✓	✓	✓
Long service leave (lump sum payment)	✓	✓	✓	✓
Lump sum payment in lieu of annual leave, sick leave etc	✓	✓	✓	✓
Meal allowance (where subject to FBT)	✓	✓	✓	✓

Included in the definition of wages	NSW	WA	ACT	TAS
Over award payments	✓	✓	✓	✓
Overtime payments	✓	✓	✓	✓
Parental/paternity/adoption leave (employer funded)	✓	✓	✗	✓
Paid parental leave Commonwealth Gov. Funded	✗	✗	✗	✗
Payments in lieu of notice	✗	✗	✗	✗
Payroll tax	✗	✗	✗	✗
Penalty rates	✓	✓	✓	✓
Profit sharing scheme (in lieu of wages)	✓	✓	✓	✓
Profit share schemes (not subject to income tax or FBT)	✗	✗	✗	✗
Redundancy payments (ex gratia payments)	✗	✗	✗	✗
Redundancy payments (accrued leave etc.)	✓	✗	✓	✗
Reimbursement of work related expenses paid by the worker	✗	✗	✗	✗
Retrenchment/severance payments	✗	✗	✗	✗
Salary	✓	✓	✓	✓
Salary packaging	✓	✓	✓	✓
Shift allowance	✓	✓	✓	✓
Sick/personal leave	✓	✓	✓	✓
Site allowance	✓	✓	✓	✓
Staff discounts	✗	✗	✗	✗
Superannuation contributions (the superannuation guarantee/employer contribution – enforceable by law)	✓	✗	✗	✗
Superannuation contribution (employee contributions)	✓	✓	✓	✓
Telephone allowance/expenses (subject to FBT)	✓	✓	✓	✓
Termination payments (any accrued benefits)	✓	✗	✓	✓
Termination payments (compensation for termination)	✗	✗	✗	✗
Third party remuneration (e.g. school fees)	✓	✓	✓	✓
Tool allowance	✓	✓	✓	✗
Travel allowance (where subject to FBT)	✓	✓	✓	✗
Travel allowance (discounted or free)	✓	✓	✓	✓
Workers compensation payments	✗ <sup>2</sup>	✗	✗ <sup>2</sup>	✗

For more information, please contact the relevant authority in your state:

#### ACT

worksafe.act.gov.au  
ph: 02 6207 3000  
Downloadable PDF

#### NSW

sira.nsw.gov.au  
ph: 13 10 50  
Downloadable PDF

#### WA

workcover.wa.gov.au  
ph: 08 9388 5555  
Online Information

#### TAS

worksafe.tas.gov.au  
ph: 03 6166 4600 (Outside TAS)  
ph: 1300 366 322 (Inside TAS)  
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#### Footnotes

1. Assessable if paid in lieu of wages.
2. Payments over and above benefits are counted as wages.
3. (\*Applicable in WA – only if nominated on policy)

#### Please note:

- > FBT = Fringe benefit tax.
- > Generally, if an allowance represents a reimbursement of a work-related expense – it is not assessable. Otherwise it is assessable.



**Don't go it alone**