

## Fact sheet: Employee accommodation and tax treatment

### Employee Accommodation and Tax Treatment

An accommodation allowance paid as part of an employee remuneration package is not liable for FBT. However, it is subject to PAYE.

The following is a list of accommodation that is deemed to be “monetary remuneration” if provided in respect of a position of employment:

- Value of board or lodging
- Use of any house or quarters
- Allowance paid in lieu of board

The value of the accommodation is a taxable benefit and is to be included in the employee’s gross salary or wages, from which PAYE is deducted.

If the employee pays a portion of the rent or accommodation himself/herself, the taxable benefit is the difference between the value of the benefit provided and the amount paid by the employee.

**Example:**

Market value of accommodation	\$150 per week
Less portion paid by employee	<u>\$90 per week</u>
Value to be added to wages and taxed	<u>\$60 per week</u>

Last reviewed on 16 June 2016

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