

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	✓	✓ ³	✓	✓
Dirt money	✗	✗	✗	✗
Dividends	✗	✗	✗ ¹	✗
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)	✓	✓	X	✓
Paid parental leave Commonwealth Gov. Funded	X	X	X	X
Payments in lieu of notice	X	X	X	X
Payroll tax	X	X	X	X
Penalty rates	✓	✓	✓	✓
Profit sharing scheme (in lieu of wages)	✓	✓	✓	✓
Profit share schemes (not subject to income tax or FBT)	X	X	X	X
Redundancy payments (ex gratia payments)	X	X	X	X
Redundancy payments (accrued leave etc.)	✓	X	✓	X
Reimbursement of work related expenses paid by the worker	X	X	X	X
Retrenchment/severance payments	X	X	X	X
Salary	✓	✓	✓	✓
Salary packaging	✓	✓	✓	✓
Shift allowance	✓	✓	✓	✓
Sick/personal leave	✓	✓	✓	✓
Site allowance	✓	✓	✓	✓
Staff discounts	X	X	X	X
Superannuation contributions (the superannuation guarantee/employer contribution – enforceable by law)	✓	X	X	X
Superannuation contribution (employee contributions)	✓	✓	✓	✓
Telephone allowance/expenses (subject to FBT)	✓	✓	✓	✓
Termination payments (any accrued benefits)	✓	X	✓	✓
Termination payments (compensation for termination)	X	X	X	X
Third party remuneration (e.g. school fees)	✓	✓	✓	✓
Tool allowance	✓	✓	✓	X
Travel allowance (where subject to FBT)	✓	✓	✓	X
Travel allowance (discounted or free)	✓	✓	✓	✓
Workers compensation payments	X ²	X	X ²	X

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

ACT

worksafety.act.gov.au
ph: 02 6207 3000
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NSW

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

WA

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

TAS

workcover.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.

