









Allowances

This table is designed to help you know which allowance is relevant to you and your business, and what exactly is covered by the allowance. We suggest printing this table, highlighting the elements you need and keeping it handy during the course of your STP Phase 2 implementation.







DESCRIPTION	WHEN TO USE	DOES NOT INCLUDE (CONDITIONS)
Cents per kilometre 	An allowance paid at a defined rate for each kilometre an employee travelled in their personal vehicle for business purposes. Business purposes are: <ul style="list-style-type: none"> • The travel occurs on work time • At the direction of the payer • Within the duties of employment or engagement • Is relevant to the practical demands of carrying out the work duties • The travel is requested by the payer to be undertaken 	<ul style="list-style-type: none"> • If the cents per kilometre does not satisfy the business purpose test, it is deemed to be for private purposes • Vehicle means a car • If the employee receives a cents per kilometre allowance for a vehicle other than a car e.g. motorbike, it does not satisfy the vehicle test
Award Transport payments 	A fixed dollar amount per pay period specified in an industrial agreement to cover the costs of transport for business purposes. Business purposes are: <ul style="list-style-type: none"> • The travel occurs on work time • At the direction of the payer • Within the duties of employment or engagement • Is relevant to the practical demands of carrying out the work duties • The travel is requested by the payer to be undertaken 	<ul style="list-style-type: none"> • If the award transport payment allowance does not satisfy the business purpose test, it is deemed to be private purpose
Laundry Allowance 	An allowance for washing, drying and/or ironing approved uniforms required for business purposes. Approved uniforms refers to: <ul style="list-style-type: none"> • Compulsory uniform • Non-compulsory uniform • Occupational-specific uniform • Protective clothing and footwear 	<ul style="list-style-type: none"> • Dry cleaning expenses are not laundry allowances • Business purposes refers to the uniforms listed. A laundry allowance paid for other clothing items is deemed to be for private purposes • If there is sufficient connection between the clothing and income earning activities, the allowance should be reported as Other allowances with the description G1 General • Do not report an allowance paid to employees for the purchase of an approved uniform
Overtime Meal Allowance 	An allowance paid to compensate an employee for meals consumed during meal breaks connected with overtime worked <ul style="list-style-type: none"> • Only reported if the allowance paid is in excess of the ATO reasonable amount 	
Domestic of Overseas Travel allowance and overseas accommodation 	An allowance paid to compensate an employee who is required to sleep away from home when domestic or overseas travel is undertaken for business purposes. The allowance is not a reimbursement of actual costs, but a reasonable estimate paid to the employer to cover: <ul style="list-style-type: none"> • Meals, accommodation and incidental expenses related to domestic travel • Meals and incidental expenses related to overseas travel 	
Tool Allowance 	An allowance paid to compensate an employee who is required to sleep away from home when domestic or overseas travel is undertaken for business purposes. The allowance is not a reimbursement of actual costs, but a reasonable estimate paid to the employer to cover: <ul style="list-style-type: none"> • Meals, accommodation and incidental expenses related to domestic travel • Meals and incidental expenses related to overseas travel 	
Task Allowance 	Payments made to compensate an employee for specific tasks or activities performed that involve responsibilities, inconvenience or efforts above the base rate of pay e.g. <ul style="list-style-type: none"> • Supplemental allowances paid to supplement the basic wage • Disability allowances paid to compensate an employee for adverse conditions • Task and activity allowances paid for performing additional or specific duties that may require additional responsibilities • Skill level allowances paid for recognition of a certain level of additional skills and associated qualifications 	
Qualifications/ Certificates 	Payments mad for maintaining a qualification, which is evidenced by a certificate, license or similar e.g. <ul style="list-style-type: none"> • Qualification allowance paid to cover registartion fees • Insurance allowances paid to cover financial protection fees • License fees allowances paid to cover regulatory license fees 	



Other Allowances

To find out more visit:

au.adp.com/what-we-offer/payroll/single-touch-payroll-stp-phase-2

DESCRIPTION	WHEN TO USE	DOES NOT INCLUDE (CONDITIONS)
Uniform 	Used to report the following: <ul style="list-style-type: none"> • Allowances paid to employees for the employee to purchase approved uniforms 	A uniform allowance used for the purchase of clothing for private purposes should be reported as: <ul style="list-style-type: none"> • STP Type: OD (Other Allowances) • STP Sub-type: ND (Non-deductible)
Private Vehicle 	Used to report the following: <ul style="list-style-type: none"> • Cents per kilometre allowance for a vehicle other than a car e.g. motorbike • Car allowance paid as a fixed amount regardless of the kilometre travelled 	If the allowance is paid for non-deductible use of a private vehicle e.g. travel from home to work, this should be reported as: <ul style="list-style-type: none"> • STP Type: OD (Other Allowances) • STP Sub-type: ND (Non-deductible)
Home Office 	Used to report the following: <ul style="list-style-type: none"> • Working from home allowance paid for purchase of equipment or communication services 	Do not include allowances paid for purchase/maintenance of specific tools and equipment that would be reports at: STP Type TD (Tool Allowance) If the allowance is for the purchase of non-deductible goods and services, this should be reported as: <ul style="list-style-type: none"> • STP Type: OD (Other Allowances) • STP Sub-type: ND (Non-deductible)
Transport/Fares 	Used to report the following: <ul style="list-style-type: none"> • Award transport payments contained within an award that do not trace back to an historical award in force on 29 October 1986 • Fare allowances paid to compensate transport costs for business purposes 	If the allowance is paid to compensate for non-business purposes transport such as public transport, this should be reported as: <ul style="list-style-type: none"> • STP Type: OD (Other Allowances) • STP Sub-type: ND (Non-deductible)
Non-deductible 	Used to report the following: <ul style="list-style-type: none"> • Allowances paid for a private purpose • Allowances paid that an employee cannot claim an expense on their Individual Income tax return 	
General 	Used to report the following: <ul style="list-style-type: none"> • A laundry allowance paid for clothing items deemed to be for private purposes, but there is sufficient connection between the clothing and income earnings activities • Accommodation allowance paid for overseas accommodation expenses • Other deductible expenses not otherwise separately itemised 	

