

Proof of Expenses – You **MUST** copy your bills



WARNING. This *is* the most important aspect of salary packaging.

Your salary package may **not start**, be **suspended** or cancelled if you do not comply ☹.



The Tax Office requires Advantage to hold **proof** of the expenses salary packaged. The proof we require is a **photocopy** of the expense (you retain the original). The document required depends on the **type** of expense chosen.

The proof of expense required depends on the type of expense and whether it is a **fixed** (ongoing) expense or a **variable** expense (ie. each bill differs).

Fixed Expenses are best, as normally only “*one piece of paper*” is needed as proof. For example:

<u>Type of Expense</u>	<u>Document Required</u>
<ul style="list-style-type: none"> • Mortgage • Personal or Car loan • Rent • Health or Life Insurance 	<ul style="list-style-type: none"> • Bank statement or loan agreement showing payment • Bank statement or loan agreement showing payment • Rental agreement, rent receipt, bank statement • Letter from insurer, invoice or bank statement

Variable Expenses. Please provide a copy of **each** individual bill / invoice. The Tax Office does **not** accept one bill as ‘proof’. Advantage **must** hold copies of *each* amount **paid** – see below.

<u>Type of Expense</u>	<u>Documents Required +</u>
<ul style="list-style-type: none"> • Credit Card • Rates • Utilities (phone, gas) • School fees • HELP payments • Medical, dental • Child care • Insurances 	<ul style="list-style-type: none"> • Monthly statement, <i>circling</i> amount PAID (cross out any tax deductible items) • Annual notice, or quarterly notice x 4 • Tax invoice – every bill • Tax invoice – each term • Statement of payment, tax assessment • Tax invoice – every bill • Tax invoice – each term • Tax invoice – every bill

+ You should copy as many tax invoices in the last 12 months. Why? The **total** value of the invoices copied is included in your package – **not** an estimate. For variable expenses, the *more* invoices you copy, the **more** you salary package.

If the expense includes GST (e.g., insurance, phone), the Tax Office requires a **Tax Invoice** as proof.

If you are unsure of the Proof of Expense requirements, contact Advantage.

For a paperless option, please consider:

- Advantage Salary Packaging card for everyday expenses
- Advantage Dining Card for cafes, restaurants, bistro, pub and club meals

Application forms available at www.salary.com.au.