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1. Introduction

Salary packaging is an Australian Taxation Office (ATO) approved way of receiving benefits by way of a pre-tax salary payment.

The University of the Sunshine Coast uses the term 'salary sacrificing' when referring to packaged superannuation contributions.

Salary sacrificing superannuation is when personal superannuation contributions are treated as employer contributions and are therefore subject to different taxation.

The University administers salary sacrificing of UniSuper contributions for eligible staff.

Salary packaging provides staff members with the ability to change the structure of their remuneration package by receiving part of their salary in the form of non-cash benefits.

Salary packaging involves a staff member reducing their total gross remuneration (maximum reduction of 100%), in return for selected non-cash benefits.

The University decides the salary and benefits made available to staff and at no time will staff members direct the University on how they are to be paid.

The University reserves the right to change salary packaging arrangements in the event of changes to taxation or associated legislation.

If legislative or other changes result in an increased cost of salary packaging to the University, the University may elect to discontinue salary packaging.

The University of the Sunshine Coast acknowledges the value to staff members of flexible remuneration, however there is no requirement to take benefits.

Participation in salary packaging is voluntary and the actual decision to package any element of gross salary will be a personal decision made by a staff member.

2. Who is eligible

Salary packaging is available to all staff members.

Salary packaging of all other benefits is available to staff who are employed on an ongoing or fixed term appointment with greater than twelve months remaining on the contract.

Academic visitors and students are not eligible for salary sacrifice.

3. University disclaimer

These guidelines are available to staff members of the University on the assumption that they are not intended to be advice, or that the University is engaged in rendering any advice.

The University strongly recommends that staff members seek their own professional financial advice to address their specific circumstances before entering into salary packaging arrangements.

The University accepts no liability for staff members failing to obtain advice on financial matters concerning their remuneration.

On entering any and all arrangements for salary packaging the staff member undertakes to hold the University indemnified from and against all claims and actions whatsoever, whether by the staff member or on their behalf.

Salary packaging requires the staff member to meet the full cost of the provision of such benefits, associated taxation and administration costs.

The costs to the University of providing salary packaging cannot exceed the cost to the University of providing the salary prior to entering into a salary packaging arrangement.

4. Salary packaging options

Superannuation

Salary sacrificing superannuation contributions means that the University makes the payment on behalf of the staff member, thereby no PAYG tax applies.

This can lead to personal taxation savings and therefore increased net pay.

Salary sacrificing superannuation contributions effectively means that the contributions are then treated as employer contributions and are subject to different taxation.

For eligible staff the University will contribute 17% superannuation and the default staff member contribution is 7% after tax.

Staff members can elect to salary sacrifice their personal contributions, however the amount salary sacrificed will be subject to contributions tax (currently 15%).

The amount salary sacrificed in this way will be 8.25% (7% contributions plus the 15% tax [1.25%]).

Staff members can also elect to Salary Sacrifice any additional voluntary contributions they may decide to make.

The amount salary sacrificed will be subject to contributions tax (currently 15%) if such is levied by UniSuper or in accordance with the Trust Deed of the fund. Transition to retirement options are available.

Refer to the online UniSuper Salary Sacrificing Superannuation Seminar for more information.

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External provider packaging

The University engages the services of two external providers to advise and administer the salary packaging program. Salary packaging arrangements with an external provider are strictly a matter between the staff member and the external provider.

Salary Packaging Australia (SPA) - staff can visit their website. Staff can also contact SPA directly for a quote by calling 1300 786 664 or email enquiries@salpacaus.com.au

Autopia - staff can visit their website. Staff can also contact Autopia directly for a quote by calling 1800 288 674 or email info@autopia.com.au.

5. Responsibilities

Staff member

It is the responsibility of the staff member to investigate the salary packaging options available and seek the relevant financial advice.

To salary sacrifice superannuation, the staff member should contact Payroll for information regarding the process.

To salary package a car, the staff member contacts the external provider to discuss the options available for salary packaging and obtain a quote.

It is the staff member's decision to proceed with salary packaging and it is their responsibility to obtain independent financial advice.

Payroll

Provides guidance regarding the process to staff members interested in salary sacrificing their superannuation and may be referred to UniSuper for further information.

Payroll also administers salary packaging arrangements from the external provider through the staff members pay.

External provider

SPA and Autopia are the current providers for the University and provide an outsourced salary packaging service to staff.

6. How to commence salary packaging

To salary package through the external provider, staff must contact the provider and complete their required forms. To commence salary sacrificing Superannuation please complete a Salary Sacrificing Application and email the completed form to payroll@usc.edu.au.

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7. Steps for salary packaging

Salary packaging with an external provider

Step 1: Contact a nominated USC external provider

SALARY PACKAGING AUSTRALIA (SPA)	TEL: 1300 786 664	WWW.SALPACAUS.COM.AU
Autopia	Tel: 1800 288 674	http://autopia.com.au/

Step 2: Staff member seeks financial advice

Step 3: Staff member completes External Provider forms

Step 4: Provider will forward necessary paperwork to USC Payroll

Step 5: Deductions are processed by Payroll

Step 6: Packaging commences

Salary sacrificing superannuation

Step 1: Contact Payroll in Human Resources (Tel: 07 5459 4850)

Step 2: Staff member seeks financial advice

Step 3: Staff member completes Salary Sacrificing Application and emails completed request to payroll@usc.edu.au

Step 4: Deductions are processed by Payroll

Step 5: Packaging commences

8. Effects of leave on packaging

It is important to remember that salary packaging arrangements will continue during periods of paid leave.

It is the staff member's responsibility to immediately inform the University and the Provider of any changes in circumstances which may impact on their salary packaging arrangements.

Leave with pay

Benefits continue to be paid during periods of paid leave at full rates of pay.

Leave without pay—planned

Where planned unpaid leave is approved, staff must renegotiate their salary package.

Notice of at least one month must be given for salary packaging that exclude motor vehicles, and six months notice for motor vehicle packaging.

Staff members should be aware and plan well in advance where motor vehicles are involved, as there are lease, insurance and registration issues that need to be addressed.

Leave without pay—unplanned

The impact of unplanned unpaid leave can be considerable when motor vehicles are packaged.

Staff members should be aware that packaged vehicle obligations continue during periods of unpaid leave.

usc.edu.au/policy

Because Motor Vehicle Benefits involve obligations under lease contracts there may be penalties imposed by the leasing company for staff members who do not meet their lease obligations (ie. altering or terminating of lease contract).

It is recommended that staff members seek professional advice on these matters.

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9. Renegotiating your packaging

A staff member may renegotiate their salary package when:

- the existing package expires (packaging review date); and/or
- any change is requested by the staff member to the current benefits packaged.

Any change to packaged benefits (e.g. change the amount of a benefit being packaged or terminate the packaging of a particular benefit) must be notified in writing to Payroll and the external provider.

The staff member may adjust their superannuation packaging arrangements once during the financial year (1 July–30 June) without incurring an after tax administration cost levied by USC.

10. Ceasing salary packaging

To cease salary packaging by an external Provider, a staff member must comply with the Provider's termination requirements, including notice periods and contact the external provider directly.

Ceasing superannuation contributions

A staff member may cease salary sacrificing pre-tax voluntary contributions by completing the Salary Sacrificing Application indicating that they would like this arrangement to cease and the pay day the last deduction is to be made. The completed form is emailed to payroll@usc.edu.au.

Member contributions can be changed from pre-tax to post tax by emailing payroll@usc.edu.au

In the event of changes to legislation relating to superannuation and/or taxation that would impact on the University and/or its staff members, the University reserves the right to renegotiate or terminate the offer of salary packaging of superannuation contributions.

Ceasing employment and salary packaging

If a staff member who is salary packaging ceases their employment, they must advise the Provider as soon as possible but at least one month prior to the termination date.

This is particularly important for motor vehicles where monthly expenditure such as fuel and running costs may vary.

Any salary packaging arrangements will be reconciled by the provider:

- where the staff member owes money to meet requirements of the salary packaging arrangements the staff member and the provider will discuss.
- where the staff member is owed money the salary packaging provider will refund the amount to USC. Payroll will process the funds to the staff member as taxable income.

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