

Salary packaging at CSU



What is salary packaging?

Salary packaging or salary sacrificing is a mechanism that allows you to reduce the amount of salary considered for PAYG tax (income tax) by electing to receive a portion of your salary as pre-tax benefits rather than wages.

Who is eligible?

All continuing staff and employees contracted for greater than one year are eligible for salary packaging.

How much salary can be 'packaged'?

You can normally salary package up to a maximum of 50% of your salary.

Is salary packaging an advantage to me?

The benefit or otherwise of salary packaging is dependent on individual circumstances. This is a general guide only and does not address individual requirements. All staff should seek independent, qualified financial advice.

Does salary packaging affect any other employment entitlements?

All entitlements are maintained at pre-salary packaging levels, e.g. leave and leave loading.

Am I charged any fees to participate?

CSU does not charge any fees, however there is provision to charge a nominal fee if administration of the scheme requires it.

n/lc manages the novated leasing of vehicles. Management and administration fees are included in lease agreements.

What benefits can be salary packaged?

The full details benefits that can be packaged are covered by the CSU guidelines located at:

<http://www.csu.edu.au/division/finserv/staff/remuneration/salpac/salary-packaging>

What options are currently available?

Employer provided childcare

Under current Fringe Benefits Tax (FBT) legislation, childcare fees for children of eligible staff at the CSU children's centres in Albury-Wodonga and Wagga Wagga and the Wagga Wagga Campus Pre-School are FBT exempt as 'employer provided childcare'. The ability to claim childcare assistance through the Family Assistance Office or other government departments may be affected by salary packaging childcare fees.

Any overpayment of fees will be refunded through the payroll system as taxable earnings. Staff should seek financial advice.

Superannuation

Standard contributions to Unisuper, SSS and SASS are eligible to be salary packaged. Additional contributions to superannuation can also be packaged.

Salary packaged contributions to Superannuation are exempt from FBT under current legislation. Contributions made through salary packaging are considered to be 'employer contributions' and therefore 15% contributions tax is applied on entry to the fund.

These contributions will be reported on your payment summary as reportable superannuation contributions. For further information about reportable superannuation contributions and how they may affect you, refer to the following information on the Australian Tax Office website <http://www.ato.gov.au/content/00205990.htm>

Corporate uniform

The cost of the CSU corporate uniform can be salary packaged. The uniform range, prices and order details can be obtained from: www.csu.edu.au/division/finserv/staff/uniform

Work related self Education (non-HECS courses)

Fees for prescribed courses directly related to a staff members current position are FBT exempt as otherwise deductible expenses and may be salary packaged.

Salary packaging is by fortnightly pre-tax payroll deduction (CSU courses only) or by reimbursement.

An FBT expense declaration is required.

Memberships to Professional Associations

The cost of a membership or subscription to a professional association directly related to current employment is FBT exempt as an otherwise deductible expense and can be salary packaged. Airport lounge membership is also permitted.

Trade Unions do not qualify for the scheme.

An FBT Expense Declaration is required.

Note: Salary packaging by reimbursement is when the expense is paid by the employee and reimbursed by way of pre-tax payroll adjustment.

Financial Advice

Fees for financial advice from an ATO registered tax agent are eligible providing the invoice relates to tax advice incurred in gaining or producing an assessable income. A list of registered tax agents is available at the following link:

http://www.tpb.gov.au/TPB/Finding_and_using_a_practitioner/TPB/Finding_and_using_a_practitioner/0391_Finding_and_using_a_n_agent.aspx

The expense must be incurred in the current financial year.



Novated Lease

CSU has engaged *n/c* to manage vehicles under a fully maintained, novated lease program. A novated lease is an arrangement for the purchase of a new or used car.

The lease is novated, or assigned to CSU to arrange lease payments, and running costs are paid from an employee's salary through a salary packaging agreement.

The fully maintained agreement allows for all running costs e.g. fuel, maintenance, insurance, etc to be included in the salary packaging arrangement.

Vehicles are for 100% private use. Inter-campus travel is permitted within the guidelines of the CSU Travel Policy.

A lease agreement is a financial commitment for a nominated period. If employment ceases during the term of the agreement, the staff member is responsible for all lease costs.

All enquiries regarding salary packaging of motor vehicles should be directed to *n/c* on 1800 643 044 or www.n/c.com.au

Current as at November 2012.

This guide should be used in conjunction with the Charles Sturt University Voluntary Salary Packaging Guidelines.

Whilst the University has made and will continue to make all reasonable efforts to provide accurate information, Charles Sturt University expressly disclaims all and any liability and responsibility in respect of anything done or omitted to be done (or the consequences thereof) by employees in reliance upon the whole or any part of the information provided by Charles Sturt University.

Why only these options?

All of these options are either FBT exempt or treated concessionally for FBT, making them more likely to be tax effective or beneficial to salary package.

Can long service leave or recreation leave paid when employment ceases be salary packaged?

Salary packaging must be from prospective earnings. It cannot relate to retrospective earnings, which includes accrued leave entitlements.

Can I change or cease my salary packaging agreement?

Salary packaged deductions to superannuation and childcare facilities can be altered at any time by providing written advice and allowing 10 days' notice.

Other salary packaging arrangements may involve a commitment to purchase an item or repay a reimbursed expense. Conditions will be nominated on salary packaging agreements.

For complete details and conditions please refer to the Charles Sturt University Voluntary Salary Packaging Scheme Guidelines.

For more information, forms and links visit:

<http://www.csu.edu.au/division/finserv/staff/remuneration/salpac/salary-packaging>

You can also contact CSU remuneration staff:

Email: <mailto:payroll@csu.edu.au>.

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