

## Salary Packaging Policy

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<b>Approving authority</b>	Executive Group
<b>Approval date</b>	3 February 2016
<b>Advisor</b>	For advice on this policy, contact <a href="#">Payroll and Benefits</a> , Human Resources   <a href="mailto:payroll@griffith.edu.au">payroll@griffith.edu.au</a>   (07) 373 54011 (option 2)
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<b>Document URL</b>	<a href="http://policies.griffith.edu.au/pdf/Salary Packaging Policy.pdf">http://policies.griffith.edu.au/pdf/Salary Packaging Policy.pdf</a>
<b>TRIM document</b>	2017/0000364
<b>Description</b>	This policy sets out the terms and conditions of the University's salary packaging arrangements whereby eligible staff members can "sacrifice" part of their cash salary in return for benefits.

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### Related documents

[Code of Conduct](#)

[Salary Packaging Website](#)

(for links to):

- Salary Packaging User Guide
- Griffith University Salary Packaging Authority Form
- QSuper Deduction Authority Form
- UniSuper Deduction Authority Form
- Salary Deduction Authorisation Childcare

[Staff Parking Permit Application Form](#)

[Griffith University Academic Staff Enterprise Agreement](#)

[Griffith University General Staff Enterprise Agreement](#)

### External Links:

[Australian Taxation Office](#)

[\[Introduction\]](#) [\[Scope\]](#) [\[Application\]](#)

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## 1. INTRODUCTION

The University recognises the value to staff members of flexible remuneration which can be provided by way of salary packaging. It is possible for staff members to "sacrifice" part of their cash salary in return for benefits such as contribution to superannuation or lease of a motor vehicle.

Participation is voluntary and staff members are free to choose benefits that best suit their individual needs. The University may, at its discretion, decline any requested salary packaging arrangement of an employee if it believes it is not an effective salary packaging arrangement.

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 limit or discontinue salary packaging.

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## 2. SCOPE

This policy applies to staff on continuing appointments or fixed term appointments with greater than twelve months remaining on the contract. Casual staff members and visitors are not eligible.

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### 3. APPLICATION

#### 3.1 How does salary packaging work?

Salary packaging allows a staff member the opportunity to forgo part of their pre-tax salary in order to receive a benefit. The value of the benefit is deducted from the staff member's gross salary, which reduces the taxable income and thus the amount of tax payable.

#### 3.2 What can be salary packaged?

3.2.1 The following items can be salary packaged via Human Resources at no cost to existing or new staff:

- payment of the compulsory staff member contributions to superannuation funds
- payment of additional contributions to superannuation funds
- University car parking permit fees
- University child care fees
- University gym membership.

3.2.2 The following items can be salary packaged via an external provider on a user pays basis:

- motor vehicles
- portable electronic devices, such as mobile phones, laptop computers and iPads
- airport lounge membership
- musical instruments (limited to QCGU staff for teaching purposes only)
- financial advice about salary packaging arrangements.

Further information is available via HR's [Salary Packaging](#) website (Griffith staff only).

Please note special eligibility conditions apply in relation to salary packaging of a motor vehicle.

#### 3.3 Financial Advice

The University strongly recommends that a staff member seeks independent financial advice before entering into salary packaging arrangements. Due to the nature of an individual's circumstances and relevant taxation legislation, the University will not offer advice under any circumstance.

Any fees associated with obtaining financial advice will be at the cost of the staff member.

#### 3.4 How to find out more about Salary Packaging

- Visit the [Salary Packaging](#) website
- Contact Human Resources (payroll@griffith.edu.au or X54011) in relation to salary packaging, superannuation, child care, car parking and/or gym membership.
- Refer to the [Salary Packaging User Guide](#) in relation to salary packaging motor vehicles, portable electronic devices and other approved items.

#### 3.5 Salary Packaging Fees

There is no charge to existing or new staff to salary package items under 3.2.1. For items under 3.2.2, the staff member will be required to pay:

- An administrative fee to the external provider (refer to the Salary Packaging User Guide for details); and
- A University administrative fee of either 1% of the value of the item(s) being packaged through LeasePlan or \$15 per calendar month for items packaged through NLC.

Fees will form part of the salary package and will be deducted from pre-tax dollars.

Administrative fees are subject to change and staff members will be notified prior to any changes.

Where GST is paid as part of a salary packaged item, any tax input credits will be passed on to the staff member.

Salary packaging deductions will commence from the next available pay period (i.e. retrospective deductions are not permitted). An administrative fee will apply if a staff member wishes to change the components of their salary packaging arrangements. Any change to a staff member's salary packaging arrangements will apply from the pay period following receipt of the request for the change by Payroll Services.

### **3.6 Salary Packaged Motor Vehicles**

#### **3.6.1 Kilometre Targets**

Concessional FBT applies to motor vehicles. Estimated FBT is calculated on the number of kilometres travelled per year at the time a quotation is prepared for a motor vehicle. FBT liability is paid on the actual kilometres travelled during the FBT year (1 April to 31 March) and if annual usage does not meet the targets estimated, the staff member may be liable for an additional FBT payment.

In the event of kilometre targets not being met, and the staff member is liable for additional FBT, this will be repaid to the University as follows: up to \$200 - payable in one pay fortnight:

\$201 to \$500 - payable in two pay fortnights

\$501 - \$1000 - payable in three fortnights

\$1001 - \$2000 - payable in five fortnights

over \$2001 - payable in equal instalments over six fortnightly pays.

#### **3.6.2 Infringement Notices, Parking and Other Fines**

In relation to salary packaged motor vehicles, the staff member is responsible for any charges associated with infringement notices, parking or other fines. The University reserves the right to deduct from net salary any charges associated with infringement notices, parking or other fines.

### **3.7 Fringe Benefits Tax**

Fringe Benefits Tax (FBT) was introduced in 1986 to tax the value of benefits given by employers to employees and their associates. FBT is payable on benefits which are provided in place of or in addition to salary and wages.

### **3.8 Insurance**

Staff members' entering into or renewing a novated lease must undertake comprehensive motor vehicle insurance as provided by the lease administrator. In the event that a request for insurance is declined by the lease provider at the commencement of a lease, the staff member will not be eligible for the lease. Should insurance be declined during the lease period, the staff member will be responsible for ensuring the leased motor vehicle is comprehensively insured through an alternate insurance provider. If this is not possible, the existing novated lease will be unpackaged and the staff member will be responsible for making lease payments directly to the lease provider.

### **3.9 Effect of Salary Packaging on Staff Member Entitlements**

The salary rates contained in the University's Workplace Agreements will be used as the basis for calculation of the following entitlements:

- termination payments, including superannuation, recreation leave and long service leave;
- redundancy benefits;
- overtime and shift payments;
- leave loading;
- allowances;
- Work Cover;
- Association membership fees.

### **3.10 Effect of Salary Packaging on Leave**

#### **3.10.1 Paid Leave**

Salary packaging arrangements will continue during periods of paid leave.

#### **3.10.2 Unpaid Leave**

Deductions cannot be made if a staff member is not receiving a salary, therefore any salary packaging amounts must be funded from the staff member's own sources for the period of unpaid leave, including periods of workers' compensation. However, the external provider will endeavour, but cannot guarantee, to vary the salary packaging arrangements of staff who proceed on planned or unplanned unpaid leave. In such circumstances, the staff member should advise the University and their lease provider as soon as such leave is known, so that arrangements can be renegotiated.

### **3.11 Changes in Circumstances**

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

The lease provider will endeavour, but cannot guarantee, to vary the salary packaging arrangements to assist with unexpected changes in circumstances.

### **3.12 Resignation**

If a staff member who is salary packaging resigns, they must advise Human Resources and the lease provider as soon as possible, but at least one month prior to their termination date. Any salary packaging arrangements will be reconciled at the termination date and monies owing will be offset against any salary, leave or other remuneration that may be due and payable.

The University reserves the right to take legal action to recover all monies owing to the University in relation to salary packaging.

### **3.13 Termination Lump Sum Leave Entitlement**

In line with Australian Taxation Office rules, where a staff member has the ability to cash in leave entitlements, those amounts cannot be part of a salary packaging arrangement.