THE UNIVERSITY OF NOTRE DAME AUSTRALIA

Guideline:

Salary Packaging

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Audience: Staff

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1 Purpose

To outline the conditions of the University's salary packaging arrangements.

2 Scope

This Guideline applies to all eligible Staff Members.

3 Independent Advice

3.1 While a salary packaging arrangement provides a Staff Member with an opportunity to forego part of their pre-tax salary in return for Benefits of a similar value and reduce the amount of assessable income for income tax purposes, the *Fringe Benefits Tax Assessment Act* (FBTAA) will impose a taxation liability on the value of the Benefit received. This FBT liability is passed on to the Staff Member and in some circumstances the effect of this may result in the individual Staff Member not receiving any overall financial benefit from the salary packaging arrangement.

3.2 The University strongly recommends that prior to entering into a salary packaging arrangement, a Staff Member obtains advice form an independent financial advisor to determine whether the salary sacrificing will provide a benefit to the individual staff Member.

4 Eligibility

4.1 Salary packaging is entirely voluntary.

4.2 All Staff Members are eligible for salary packaging the Benefits offered internally by the University as set out in clause 8.1.

4.3 All Staff Members with a continuing employment contract, or a fixed-term employment contract (that is, a contract period of more than 12 months) are eligible for salary packaging of Benefits offered by an approved the Salary Packaging Provider.

4.4 All salary packaging must be entered into prospectively.

5 Salary and the Effect of Salary Packaging on Other Entitlements

5.1 Salary for the purpose of salary packaging is a Staff Member's substantive base salary.

5.2 Any earnings that are not subject to superannuation such as overtime and higher duties allowances may not be packaged.

5.3 Superannuation and annual leave loading will be calculated on an amount equal to the Staff Member's base salary (before any salary packaging) and eligible salary-based allowances.

5.4 Staff members are responsible for any administrative costs, and charges (including FBT) which may be charged to the University in relation to the salary packaging arrangement.

5.5 Salary packaging arrangements continue during period of paid leave and reduced pay provided there is sufficient funds to meet the salary deductions.

5.6 A Staff Member taking leave without pay will be required to suspend the salary package arrangement.

5.7 A Staff Member must repay any payment of salary and benefits paid in advance, or on behalf

of the Staff Member, for which the Staff Member is not entitled.

5.8 The University will provide the Staff Member with a notification from the Salary Packaging Provider and the Staff Member's payslip will show the full salary plus any deductions for Benefits.

6 Notification Requirements

6.1 A Staff Member must immediately advise the Salary Packaging Provider if they are:
- 6.1.1 To terminate employment with the University;
- 6.1.2 Proceeding on leave without pay; or
- 6.1.3 Increasing or decreasing their FTE.

6.2 Any outstanding amount for salary packaged items will need to be cleared prior to departing from the University and before any termination payment is processed.

7 Salary Packaging Agreement

7.1 A single Salary Packaging Agreement will cover all salary packaging at any particular time.

7.2 Once the Agreement has been signed, it will remain active and include future Benefits. When adding new Benefits to an existing Agreement, it is the Staff Member's responsibility to familiarise themselves with current policy.

8 Salary Package Benefits

8.1 The University will administer the following salary package benefits via the payroll system:
- 8.1.1 Superannuation
- 8.1.2 Car Parking
- 8.1.3 In-house Gym memberships.

8.2 All other Salary Package Benefits will be provided through an external Salary Package Provider as approved by the University from time to time.

8.3 Salary Package Benefits can be amended at any time, at the discretion of the Vice Chancellor.

9 Additional costs and Changes to Legislation

9.1 In the event changes in the law (such as changes to taxation, superannuation or payments of government benefits) which adversely impact on the University's salary packaging arrangements and impose additional financial liability on the University or Staff Member, the University reserves the right to terminate the arrangements unless the Staff Member agrees to pay the additional costs.

9.2 The University will not be liable for any loss, increased costs or damage suffered by a Staff Member as a result of any salary sacrificing arrangement offered by the University.

10 Supporting Documents

10.1 *General Regulations*.

10.2 *Standing Delegations of Authority: Schedule A* – general Delegations and Schedule B – Financial Delegations.

10.3 Staff Enterprise Agreement, as in force form time to time.

11 Definitions

For the purpose of this Guideline, the following definitions apply:

Benefits means the Benefits offered by the University via the payroll system and includes superannuation, car parking and University Gym memberships and the Benefits provided to the Staff Member by an approved Salary Packaging Provider.

FBT means Fringe Benefits Tax.

Salary means the fortnightly gross base salary paid to a Staff Member by the University.

Salary packaging means a voluntary arrangement between an employee and the University, where the staff members agrees to forego part of their future pre-tax salary in return for the University providing benefits.

Salary Packaging Provider means the salary packaging company approved from time to time to administer salary packaging.

Salary Packaging Summary means

(a) A University form, completed and approved by the Staff Member, that sets out the Benefits to be provided to the Staff Member and the date from which the Staff Member's entitlement to receive the Benefits begins. A new University form may be issues from time to time varying the Staff Member's remuneration.

(b) A notification of Benefit deductions issued by the Salary Packaging Provider setting out the Salary Package and Benefits to be provided to the Staff Member and the date from which the Staff Member's entitlement to receive such Salary Package and Benefits begins. The Benefits may be deducted form one pay cycle or be ongoing in nature. There may be more than one notification of benefit deductions and these notification of benefit deductions may vary from time to time; and

(c) Any other document signed by the Staff Member and Salary packaging Provider evidencing the Salary deductions and Benefits.

Staff Member has the same meaning as defined in the University's Staff Enterprise Agreement.

Version	Date of approval	Approved by	Amendment
1	10 July 2019	Chief Financial Officer	New Guideline
	16 July 2021	Pro Vice Chancellor, People and Culture	Change of Policy Owner and Responsible Officer to reflect ownership of payroll function