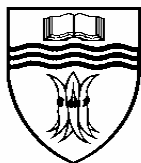


CHARLES STURT UNIVERSITY



Salary Packaging at CSU

Current as at August 2007

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

While 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 in regard to participation in the Charles Sturt University Voluntary Salary Packaging Scheme.

CSU encourages you to seek independent, qualified financial advice.

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.

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 dependant on individual circumstances. This is a general guide only and does not address individual requirements.

Does salary packaging affect any other employment entitlements?

All entitlements are maintained at pre salary packaging levels, eg 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.

Fleet Partners 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/salary_packaging.htm

The following options are currently available:

■ **Employer provided childcare**

Under current FBT legislation, childcare fees for children of eligible staff at the CSU Children’s Centre’s in Albury, Wagga and Bathurst as well as the 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 Department may be affected by salary packaging childcare fees. Any overpayment of fees will be refunded through the payroll system as taxable earnings. Staff are urged seek financial advice.

■ **Superannuation**

Standard contributions to Unisuper, SSS and SASS are eligible to be salary 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. Additional contributions to an eligible superannuation fund can also be packaged. Salary packaging is by payroll deduction.

■ **Corporate Uniform**

The cost of the CSU corporate uniform can be salary packaged. The uniform range, prices and order details can be obtained from

<http://www.csu.edu.au/division/finserv/staff/uniform.htm>

When an item is salary packaged, it cannot be claimed as a tax deduction in a tax return.

■ **Work Related Self Education expenses (non-HECS courses)**

Fees for prescribed courses directly related to a staff member’s current position are FBT exempt as otherwise deductible expenses and can be salary packaged.

Salary packaging is by fortnightly pre tax payroll deduction or by reimbursement for CSU courses.

Salary packaging for non CSU courses will be by reimbursement.

An FBT Expense Declaration is required.

CSU urge staff to seek independent, qualified financial advice.



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.

Laptop/Portable Computers

Laptop computers and portable printers used in part for work purposes are FBT exempt under current legislation. Staff can salary package one laptop per FBT year.

Business related software that is loaded on the computer and included as part of the original purchase (ie not purchased separately) is also eligible to be packaged.

Salary packaging is by reimbursement. An original receipt and FBT expense declaration are required.

The Fringe Benefits Tax (FBT) year is from 1st April – 31st March

In House Benefits

In-house fringe benefits up to \$1000.00 per FBT year are not Fringe Benefits Taxable. In-house fringe benefits are generally those items identical or similar to those provided to the public in the normal course of business. Eg. Wine from the CSU winery. Salary packaging is by reimbursement. Original receipts should be attached to salary packaging agreement and authority form. Minimum claim of \$100.00.

Salary Packaging by reimbursement = expense is paid by the employee and reimbursed by way of pre tax payroll adjustment.

Fully Maintained Novated Lease of a Vehicle

CSU has engaged Fleet Partners 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 pre-tax salary through a salary packaging agreement.

The fully maintained agreement allows for all running costs eg; 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

Fringe Benefits Tax (FBT) applies to lease agreements at a concessional rate determined by the number of kilometres the vehicle travels in an FBT year. It is calculated on the vehicles value, not running costs or lease payment.

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 Fleet Partners Driver Liaison on 1300 88 2266 or visit <http://www.fleetpartners.com.au/>

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.

Does GST apply to salary packaging arrangements?

CSU will pass on any GST input tax credits available.

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

Salary packaging must be from prospective earnings. It can not 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 anytime 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/salary_packaging.htm

or contact CSU remuneration staff:

Email: salpack@csu.edu.au

Kendra Webber (ext 32267)
Renee Corlett (ext 32308)
Carmen Frost (ext 32609)

CSU urge staff to seek independent, qualified financial advice.