

# Salary Packaging Procedure



## 1 Purpose

To inform Employees of their eligibility to salary package applicable elements of their gross salary.

## 2 Scope

This Procedure applies to all full-time and fractional University Employees whose service fraction is 50% or greater who are on continuing appointments or fixed-term appointments for two years or more.

## 3 Procedure Overview

This Procedure details the conditions and entitlements relating to salary packaging at the University.

## 4 Procedures

### 4.1 Employee contributions

Eligible Employees may salary sacrifice the compulsory Employee contribution element of the University's approved superannuation schemes, and a range of other benefits provided by an external salary packaging provider as determined by the University.

All University Employees who are members of the exclusive superannuation providers of the University will be eligible to make additional voluntary before-tax (salary sacrifice) contributions to their respective superannuation funds within the rules of the superannuation fund and on the condition that the Employee receives adequate regular fortnightly pay from the University.

### 4.2 Decision to package or to stop packaging

The Decision to enter into the salary packaging arrangements will be a personal Decision for the Employee. The University strongly advises that the Employee should consult a licensed financial adviser before making the Decision and must sign a declaration to this effect prior to the commencement of such arrangements. The cost of this professional advice will be the responsibility of the Employee. The University will accept no liability whatsoever in respect of any salary packaging arrangement undertaken by an Employee.

An Employee may apply to salary package an element of their gross salary by completing and

signing a Salary Packaging Authority Form.

An Employee may cease salary packaging an element of their gross salary by completing and signing a Salary Packaging Cancellation Form. An Employee must give the University one month's notice of their Decision to cease salary packaging

### **4.3 Administration**

The Salary Packaging Authority Form and the Salary Packaging Cancellation Form can be obtained from the People Portfolio website.

Salary packaging will be administered by the People Portfolio.

The University will administer salary packaging of superannuation at no cost to the Employee. However, if the University contracts the administration of additional salary packaging elements to an external provider, an administration fee may be charged.

### **4.4 Salary Packaging element - superannuation**

Salary packaging of superannuation contributions is only permitted to schemes which are approved by the University. Those schemes are:

- UniSuper Defined Benefit/Accumulation 2 Plan (formerly known as SSAU)
- UniSuper Accumulation 1 Plan (formerly known as TESS)
- QSuper (Defined Benefit Plan)
- QSuper (Accumulation Scheme) (formerly known as Gosuper).

Subject to the Employee's superannuation fund's rules, the Employee may salary package to replace any required 'member contribution' to their superannuation scheme, plus an amount necessary to cover the taxation on the contribution. Before tax voluntary contributions may also be made in addition to the compulsory member contributions.

Substitution of a salary packaged contribution to replace the Employee's required after-tax member contribution will not affect the amount of the superannuation benefit (i.e. the Employee's final payout at retirement) that the Employee will receive from their plan.

Where benefits are derived as a multiple of average superannuable salary (such as in UniSuper or QSuper (Defined Benefit Plan)), the Employee's superannuable salary (i.e. their actual gross salary prior to any entry into salary packaging) will remain the salary that the Employee will have received from their salary classification had the Employee not entered into salary packaging.

The University's employer contributions to the Employee's superannuation will remain unaltered

unless the contribution rates are varied by the fund's Trust Deeds. The contributions will reference the classification rate for the Employee's position in the same manner as it would if the Employee were not salary packaging.

Prior to commencing a salary packaging arrangement involving superannuation, the University strongly advises that the Employee seeks independent financial advice to ensure that the arrangement will be tax effective for the Employee and must sign a declaration to this effect prior to the commencement of such arrangement. This should be obtained from a licensed financial advisor. The cost of obtaining this professional advice will be the responsibility of the Employee.

The types of Employee contributions that may be packaged and potential taxation issues are available from the People Portfolio website.

## 4.5 Other salary packaging elements

All Employees will be eligible to sacrifice a cash component of their gross salary in order to 'package' other remuneration benefits nominated from a range approved by the University. Such packaging arrangements may be provided by an external salary packaging provider as determined by the University from time to time. Any costs incurred in such salary packaging arrangements will be the Employee's responsibility.

Changing and terminating salary packaging arrangements will be in accordance with the terms and conditions of the salary packaging provider.

## 5 References

Nil.

## 6 Schedules

This procedure must be read in conjunction with its subordinate schedules as provided in the table below.

## 7 Procedure Information

<b>Accountable Officer</b>	Chief People Officer
<b>Responsible Officer</b>	Chief People Officer
<b>Policy Type</b>	University Procedure
<b>Policy Suite</b>	Salaries, Classifications and Entitlements Policy
<b>Subordinate Schedules</b>	

<b>Approved Date</b>	12/12/2018
<b>Effective Date</b>	3/4/2019
<b>Review Date</b>	3/4/2022
<b>Relevant Legislation</b>	<a href="#">Fringe Benefits Tax Assessment Act 1986</a> <a href="#">USQ Enterprise Agreement</a>
<b>Related Policies</b>	
<b>Related Procedures</b>	
<b>Related forms, publications and websites</b>	<a href="#">Salary Packaging Authority Form Request</a> <a href="#">Salary Packaging Cancellation Form</a> <a href="#">Superannuation and salary packaging</a>
<b>Definitions</b>	<p><b>Terms defined in the Definitions Dictionary</b></p> <p><a href="#">Decision</a></p> <p>A determination made by an Employee, contractor or other authorised delegate in the course of their duties on behalf of the University.</p> <p><a href="#">Employee</a></p> <p>A person employed by the University and whose conditions of employment are covered by the USQ Enterprise Agreement and includes persons employed on a continuing, fixed term or casual basis. Employees also include senior Employees whose conditions of employment are covered by a written agreement or contract with the University.</p> <p><a href="#">Procedure</a></p> <p>An operational instruction that sets out the process to operationalise a Policy.</p> <p><a href="#">University</a></p> <p>The term 'University' or 'USQ' means the University of Southern Queensland.</p> <p><a href="#">USQ Enterprise Agreement</a></p> <p>University of Southern Queensland Enterprise Agreement 2018-2021.</p> <p><b>Definitions that relate to this procedure only</b></p>

<b>Keywords</b>	Salary packaging, salary sacrifice, REMSERV, superannuation, wages, pay
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