

Salary Packaging

Providing options on how to use your money



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About this booklet

This booklet provides information on salary packaging arrangements. It has been written specifically for you as an employee of the Queensland Government and Queensland Rescue.

Salary packaging is allowed under the Income Tax and Fringe Benefits Tax Assessment Acts and through the Queensland Government. Remuneration Services (Qld) Pty Ltd ('RemServ') has been appointed to manage the administration services for salary packaging for the Queensland Government employees.

This booklet has been prepared with no consideration of your specific financial investments, situations or requirements. In all cases, you should individually review and assess the information contained in this booklet based upon your own particular circumstances. It is strongly recommended that you obtain financial advice if you wish to participate in salary packaging.

The Queensland Government and RemServ, its administrators, partners, agents and/or employees disclaim all liability and are hereby released and indemnified from and against all actions, claims, demands and proceedings whatsoever, (whether foreseeable or not) notwithstanding any negligence, default or lack of due diligence and care from any person, which may arise in connection with the salary packaging arrangement, information contained in this booklet or advice given by a consultant.

This booklet is current at February 2009.

More information

You can phone our contact centre between the hours of 8:00am to 6:00pm (Queensland time) Monday to Friday on 1300 30 40 10.

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RemServ is bound by the National Privacy Principles of the Privacy Amendment (Private Sector) Act 2000 (Cth), and we have procedures in place to ensure the confidentiality of personal client information.

Our Privacy Policy regulates the type of personal information we collect as well as the use of the personal information. Your personal information is required by RemServ in order to provide salary packaging services.

You can obtain a copy of our Privacy Policy by contacting us on 1300 30 40 10 or from our website www.remserv.com.au.

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What is Salary Packaging?

Salary packaging is a tax effective way of receiving your salary as a combination of income and benefits.

Salary packaging allows you to deduct some of your pre tax income and use it to pay for benefits. By reducing your pre tax income you can reduce the amount of income tax you pay and increase the amount you take home each fortnight.

Your own circumstances will determine whether salary packaging will be a benefit to you. There are tax implications which will make some benefit items unattractive for some people, so it is important to discuss your chosen benefits with your financial adviser.

Who is eligible?

You are eligible to salary package if your employment is:

- permanent full or part-time, or
- temporary full or part-time; or
- long-term casual.

Casual employees are not normally eligible to participate in salary packaging, however long term casuals (ie. employed on a regular and systematic basis for 12 months or more) with a reasonable expectation of ongoing employment (as per s 72(8) of the Industrial Relations Act 1999) are eligible to package after 12 months' employment.

The above criteria determine eligibility only for participation in salary packaging. The FBT consequences for employees will differ depending on eligibility or otherwise for the FBT exemption cap, as referred to below and in the FBT section of this guide.

What can I package?

- You have a choice of which benefits to package.
- You can package 50% of your fortnightly total salary (no limit for superannuation salary packaging). "**Total salary**" ordinarily means the total gross remuneration including salaries, wages and permanent allowances but excluding overtime, however is subject to any provisions to the contrary as contained in a certified agreement or ruling issued under section 34 of the *Public Service Act 1996*.

Other things to note about salary packaging

Financial advice is strongly recommended.

While it is not mandatory that you seek financial advice, salary packaging will adjust your pay amounts and may in some instances be unsuitable for some Queensland Government employees. RemServ has a list of advisers who have registered with and received training from RemServ, or you can consult a:

- Chartered Accountant;
- Certified Practising Accountant (CPA);
- Financial Planning Association of Australia licensed member (FPA); or
- National Institute of Accountants member (NIA).

You should discuss the adviser's fees before selecting your financial adviser.

It is your responsibility to check your pay slip and statements to ensure that the correct amounts are being deducted and to notify RemServ if the amounts are not as requested.

The FBT exemption cap

FBT exemption cap status is a provision under the FBT legislation applicable to employees working exclusively in and for certain business areas of Queensland Health, Queensland Rescue and Queensland Ambulance Service, and effectively limits FBT exemption to a cap of \$17,000 grossed up taxable value (GUTV). It is important to understand that not all employees have this concessional status (which is not an industrial entitlement).

You must confirm the FBT status of the position you work in with your payroll or Human Resources office, as it is your responsibility to confirm your FBT exemption cap status.

Employees whose official duties, normal working arrangements and reporting relationships are split part-time between FBT concessional and non-FBT concessional business areas are regarded as ineligible for FBT exemption cap status.

It is your responsibility to check your pay slip and statements to ensure that the correct amounts are being deducted and to notify RemServ if the amounts are not as requested.

What does it cost?

The administration fees you pay are inclusive of GST and are as follows:

Administration fees for packages <i>without</i> in-house benefits		Total administration fee if you add one or both in-house benefits:	
		Commencement fee to include in-house benefit	Ongoing fee
Novated lease and/or other FBT reportable benefits	\$8.83 per fortnight \$229.50 per year	\$25.00 in first year payable from first pay deduction	\$10.95 per fortnight \$284.59 per year
1 FBT reportable item excluding a novated lease	\$8.29 per fortnight \$215.50 per year	\$25.00 in first year payable from first pay deduction	\$10.41 per fortnight \$270.55 per year
FBT exempt items and super	\$2.50 per fortnight \$65.00 per year can be paid in the first deduction amount(s)	\$25.00 in first year payable from first pay deduction	\$4.61 per fortnight \$120.00 per year
FBT exempt items excluding super	\$2.12 per fortnight \$55.00 per year can be paid in the first deduction amount(s)	\$25.00 in first year payable from first pay deduction	\$4.42 per fortnight \$115.00 per year
Superannuation only	\$1.35 per fortnight \$35.00 per year	\$25.00 in first year payable from first pay deduction	\$3.46 per fortnight \$90.00 per year

If packaging **only** in house benefits, the fees are as follows:

In-house benefits only (one or both benefits)	\$25.00 commencement fee in first year payable in first deduction, then \$2.97 per fortnight \$77.00 per year
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Fee Structure if Ceasing Packaging

If you are paying your administration fees by fortnightly instalments and cease packaging, or packaging is on hold within a 12 month period from your anniversary date, the following package year administration fees will apply to cover government rebates and the costs of departmental and ATO reporting requirements:

8 months or less of package year	75% of annual fee amount deducted
9-12 months of package year	100% of annual fee amount deducted

If packaging an FBT exempt item for a period less than one year and reverting to superannuation only, if paid fortnightly, the administration fee for the FBT exempt item will continue until paid in full. At that time the administration fee will adjust to the appropriate fee for superannuation.

If ceasing packaging completely, the full year's fee is payable for FBT exempt items. If you decide to cease packaging part way through the year and have paid fortnightly the remainder of the fee must still be paid. This will be arranged as a payroll office deduction request for the remaining amount or as a requested invoice for payment sent directly to you if there are insufficient funds available.

How do I start salary packaging?

1. Review this booklet for which benefits might be of interest to you. Summary benefit lists start on page 7 of this booklet. You may decide to consult a financial adviser to discuss what will be suitable for you. Financial advisers can be registered financial planners (FPA), Certified Practising Accountants (CPA), Chartered Accountants or National Institute of Accountants member (NIA).

2. **Call the RemServ Client Establishment Team on 1300 73 66 62.**

The team will set up your contact details and what you'd like to package by phone. You will then be sent the remaining documents to sign and return.

3. Send the completed and signed forms to Remuneration Services (Qld) Pty Ltd:

- (a) By posting the **original** forms to:
Remuneration Services (Qld) Pty Ltd
GPO Box 424
Brisbane Qld 4001

OR

- (b) By scanning the forms and emailing them from your Queensland Government email address (not your personal email address) to remserv@remserv.com.au

OR

- (c) By faxing the forms to 1300 30 18 66

Please note:

In relation to forms for novated leases, original completed and signed forms must be submitted to RemServ: scanned email and facsimile forms are not acceptable.

You can also set up your packaging by downloading an application from the RemServ website www.remserv.com.au to complete alone or with your financial adviser; the 'My Employer' codes are as follows:

Queensland Government departments and agencies, <u>excluding</u> Queensland Health, Queensland Rescue, Queensland Ambulance Service, Queensland Police, Education Queensland and Legal Aid Queensland	qldgov
Education Queensland	education
Legal Aid Queensland	laq
Queensland Ambulance Service	gas
Queensland Health	health
Queensland Rescue	qldrescue
Queensland Police Service	qld police

Full FBT Benefit Items

These items are applicable under Queensland Government salary packaging policy. At present, in most circumstances, if the following items are packaged, FBT of 46.5% is payable on the applicable grossed up value. **This will make these items attractive only to those employees of agencies that have a concession for FBT.**

If you are an employee of:

- Queensland Ambulance Service;
- Queensland Rescue; or
- Legal Aid Queensland;

you should review the booklet specifically designed for these agencies for further information about the FBT concession.

* FBT status can be classified as exempt for Queensland Health (hospital).

Page	Benefit Item	FBT Status	Otherwise Tax Deductible Item	GST Status	Reportable Fringe Benefit
8	Aged and disabled care payments	Full	No	No	Yes
8	Car parking	Full*	No	Yes	No
8	Child care fees (non employer owned)	Full	No	No	Yes
9	Club/association membership subscriptions (non work-related), including health/fitness centre memberships	Full	No	Yes	Yes
9	Computer software (non-work related)	Full	No	Yes	Yes
9	Desktop computers (non-work related)	Full	No	Yes	Yes
9	Financial adviser fees	Full/Exempt	Yes/No	Yes	Yes/No
10	HELP fees (previously known as HECS fees)	Full	No	No	Yes
10	House/contents insurance	Full	No	Yes	Yes
10	Insurance premiums (other than income protection insurance)	Full	No	No	Yes
10	Motor vehicle operating expenses (non-novated vehicles)	Full	No	Yes	Yes
10	Own home mortgage payments	Full	No	No	Yes
12	Personal loan repayments	Full	No	No	Yes
12	Portable Electronic Devices	Full/Exempt	Yes/No	Yes	Yes/No
12	Private health insurance	Full	No	No	Yes
12	Private rental payments	Full	No	No	Yes
13	Private school fees	Full	No	No	Yes
13	Private travel	Full	No	Yes	Yes
13	Public transport	Full	No	Yes	Yes
14	Savings/investment schemes	Full	No	No	Yes
14	Utilities	Full	No	Yes/No	Yes

Aged and disabled care payments

You may package this benefit if you have expenses for parents, partners or dependents who need nursing care because of old age or physical or mental disability.

This is a full FBT benefit.

The options for payments of this benefit are direct payment to the supplier or reimbursement to you.

More information is included in the *Aged & Disabled Care Fact Form*. This fact form is available in the downloads section at www.remserv.com.au.

Car parking

You can salary package the cost of parking your car.

Car parking is normally a benefit which attracts full FBT.

You may salary package the cost of parking as long as the following conditions are satisfied:

- * Your car is parked for more than four hours at your primary place of employment;
- * Your car is used in connection with travel between your home and primary place of employment on that day.

There are other conditions that must be met, in accordance with FBT legislation, together with the requirement for direct payment arrangements in place between RemServ and the car park provider. Reimbursement is not available.

Payments for this benefit are directly to the car parking provider only as either a regular or one off payment through the car parking provider and salary packaging through RemServ. The car parking provider will invoice RemServ directly once the arrangement is in place. You may need to add the *Car Parking - Hospital Fact Form* and required attachments for this benefit. This fact form is available in the downloads section at www.remserv.com.au when you complete your application.

Child care costs (non employer owned)

Your fees in relation to child care supplied by a registered child care provider not located on your employer's premises can be salary packaged.

This is a full FBT benefit.

The options for payments of this benefit are direct payment to the supplier or reimbursement to you.

More information is included in the *Child Care Fees (non employer owned) Fact Form*. This fact form is available in the downloads section at www.remserv.com.au.

Club/ association membership subscriptions (not work related)

You can elect to package memberships to clubs and associations that are not related to your work.

These attract full FBT.

The options for payments of this benefit are direct payment to the supplier or reimbursement to you.

More information is included in the *Club/Association Membership Subscriptions Fact Form*. This fact form is available in the downloads section at www.remserv.com.au.

Computer software (non work-related)

You may choose to salary package the costs associated with purchase of appropriate software. Salary packaging of software containing obscene, indecent, offensive or sexually explicit material is not allowed and will not be processed by RemServ.

These attract full FBT.

The options for payments of this benefit are direct payment to the supplier on a one off or regular basis or reimbursement to you. More information is included in the *Computer Software Fact Form*. This fact form is available in the downloads section at www.remserv.com.au.

Desktop computers (non work-related)

You can salary package the cost of your new home desktop computer, the processor, monitor, keyboard and mouse. Other peripherals may also be claimed.

These attract full FBT.

The options for payments of this benefit are direct payment to the supplier on a one off or regular basis or reimbursement to you. More information is included in the *Desktop Computer Fact Form*. This fact form is available in the downloads section at www.remserv.com.au.

Financial adviser fees

You can package your salary packaging financial adviser fees.

Financial advice on investments is classified as FBT exempt where it is otherwise tax deductible. Financial fees for the initial meeting cannot be packaged as no financial gain has been received at this time, however fees incurred after the initial meeting can be packaged. All other financial adviser fees attract FBT.

The options for payments of this benefit are direct payment to the financial adviser as a one off or regular payment or reimbursement to you. You will need to add the *Financial Adviser Fees Fact Form* and required attachments for this benefit. This fact form is available in the downloads section at www.remserv.com.au when you complete your application.

HELP (Higher Education Loan Programme) fees

You may package HELP (formerly HECS) fees incurred by yourself, your partner or spouse or a dependent. HELP fees are only packageable when you have an invoice from the University or an ATO remittance.

This is a full FBT benefit.

The options for payments of this benefit are direct payment to the University or reimbursement to you. More information is included in the *HELP/School Fees Fact Form*. This fact form is available in the downloads section at www.remserv.com.au.

Insurance - house/contents (on employee's principal place of residence)

You can salary package the premium costs associated with the home and contents insurance for your primary place of residence.

This is a full FBT benefit.

The options for payments of this benefit are direct payment to the insurance company on a one off or regular basis or reimbursement to you. More information is included in the *Home/contents Insurance Fact Form*. This fact form is available in the downloads section at www.remserv.com.au.

Insurance – trauma and life

Your packaging can include payments to a recognised insurance provider for trauma or life insurance coverage for yourself, your spouse and / or your dependents. This item excludes income protection insurance.

This is a full FBT benefit.

For those life insurance premiums that contain an investment component, the policy must contain a life insurance component and the investment component of the premium must be bona fide directed towards a long-term investment strategy.

The options for payment of this benefit are direct payment to the insurance company or reimbursement to you. More information is included in the *Insurance Premiums Fact Form*. This fact form is available in the downloads section at www.remserv.com.au.

Motor vehicle operating expenses (for non-novated private use vehicles)

You may choose to package items associated with the operation and ongoing maintenance of your privately owned motor vehicle.

This is a full FBT benefit.

Payment for these items can only be made where there are sufficient funds accumulated in your salary packaging account. For example, if your annual registration is due close to the date of commencement of your salary packaging, there may not be sufficient funds to pay the registration from the salary packaging account.

Operating expenses do NOT include traffic fines or licensing. Registration costs for the following items are also not packageable:

- Caravans
- Horse floats
- Boat trailer
- Other trailers
- Motor bikes.

The options for payment of this benefit are direct payment to the supplier or reimbursement to you. You may need to add the *Motor Vehicle Operating Expenses Fact Form* and required attachments for this benefit. This fact form is available in the downloads section at www.remserv.com.au when you complete your application.

Own home mortgage payments

You may salary package your owner-occupied home mortgage. The amount packaged can be your repayment of both principal and interest.

This is a full FBT benefit.

Investment property mortgages cannot be packaged.

If you live and work in a standard remote location, additional exemptions for your mortgage payments may be available to you. See the *Remote Area Information Booklet* for more information about inclusion of remote area benefits into your package. This booklet is accessible from the RemServ website www.remserv.com.au with the user name *health*. Please note that you will require further documentation and a different loan draw down declaration if packaging remote area mortgage benefits.

If you have a draw down facility on your mortgage you must not draw on any funds paid into the mortgage from your salary packaging. You will need to complete the *Loan Draw Down Declaration* and submit this with your application even if you do not have or do not use a draw down facility.

The options for payments of this benefit are direct payment to your mortgage account on a regular basis or reimbursement on a regular basis to you. You should contact RemServ once salary packaging deductions have started if you require a specific date for RemServ to make payments to your mortgage. More information is included in the *Home Mortgage Fact Form*. This fact form is available in the downloads section at www.remserv.com.au.

Personal loan repayments

Personal loan repayments can be chosen as a salary package benefit. The loan must be in your name or joint names. A personal loan in the name of another person is only payable if you can provide evidence that you are legally responsible (eg a court order) for the loan repayments.

This is a full FBT benefit.

The options for payment of this benefit are direct payment to the loan on a regular basis or regular reimbursement to you. More information is included in the *Personal Loan Repayments Fact Form*. This fact form is available in the downloads section at www.remserv.com.au.

Payments of credit card debt may not be packaged under this arrangement.

Portable Electronic Devices (non work-related)

Changes in the Australian Federal Government Budget on 13 May 2008 have altered the status of laptop computers, electronic diaries and mobile phones for salary packaging.

If you wish to package one of these items for personal use, they will attract full FBT. If you wish to package one of these as work related FBT exempt items, please refer to the section above on page.

The options for payments of this benefit are direct payment to the supplier on a one off or regular basis or reimbursement to you.

Private health insurance

You may choose to salary package the premium costs associated with private health insurance for you and your dependents. The amount you package should not include the amount that the Government pays as a rebate.

This is a full FBT benefit.

The options for payments of this benefit are direct payment to the insurance company on a one off or regular basis or reimbursement to you. More information is included in the *Health Insurance Fact Form*. This fact form is available in the downloads section at www.remserv.com.au.

Private rental payments

If you rent your home, you may include your rental payments in your salary packaging. To package home rental, it must be your primary place of residence.

This is a full FBT benefit.

The options for payments of this benefit are direct payment to your landlord on a regular basis or reimbursement to you. You should contact RemServ once salary packaging deductions have started if you require a specific starting date for your rental payments to begin from salary packaging.

If you live and work in a standard remote area, you may be entitled to remote area concessions for rent. Please see the Remote Area Information Booklet for more information.

Payments will be made for the duration of the lease agreement. You will need to contact RemServ again at the end of your lease to provide further substantiation to continue your payments. If the arrangement is ongoing, six monthly landlord declarations should be submitted. You are responsible for ensuring that these are provided so that your rent payments from your package can continue. More information is included in the *Home Rentals Fact Form*. This fact form is available in the downloads section at www.remserv.com.au.

Private school fees

You may package private school fees incurred by a dependent. School fees are only packageable when you have an invoice from the school or college.

This is a full FBT benefit.

School fees are paid/reimbursed less items on the invoice which are otherwise tax deductible (such as charitable building trusts).

The options for payments of this benefit are direct payment to the school or reimbursement to you. More information is included in the *HELP/ School Fees Fact Form*. This fact form is available in the downloads section at www.remserv.com.au.

Private travel expenses

Private holiday travel for you and your dependents may be packaged. This includes fares, accommodation and other travel related expenses, but excludes food and entertainment.

This is a full FBT benefit.

The options for payment of this benefit are direct payment to the supplier or reimbursement to you.

You will be required to provide copies of the supporting invoices/receipts for your claims. You may need to add the *Private Travel Fact Form*. This fact form is available in the downloads section at www.remserv.com.au.

Public transport costs

For employees of many Queensland Government agencies, public transport costs can be salary packaged as described under in-house benefits on page 17. If you are entitled to claim the in-house benefit, you can salary package up to \$1,333.33 per FBT year towards certain public transport and/or electricity costs as FBT exempt. More information about the in-house benefit is available from www.remserv.com.au.

Public transport costs not claimed as part of the in-house benefit can be packaged but are a full FBT benefit.

Travel is packageable as a reimbursement only. You can claim the benefit with a *Payment Reimbursement Claim Form* downloadable from www.remserv.com.au.

Savings/ investment scheme (non-superannuable contributions)

You can package contributions to a managed investment fund which is structured on a unitised basis.

This is a full FBT benefit.

The investment insurance product must be provided by an approved life company and the policy must:

- i. Have a minimum term of not less than 10 years;
- ii. Be held under a trust pursuant to where
 - The policy is not able to be terminated within 10 years;
 - And the premiums paid on the policy are not able to be accessed, borrowed against or withdrawn within 10 years except in special circumstances involving serious financial difficulties suffered by the rulee;
- iii. May provide for a payment in respect of death or disability;
- iv. Be treated as “paid up” if the premium payments are discontinued for any reason and will be continued so that the policy will be in force for at least 10 years before the proceeds are paid out;
- v. Have no direct or indirect loan back arrangements attached to it.

Payment of this benefit is as a direct payment to the savings scheme.

More information is included in the *Savings/Investment Schemes Fact Form*. This fact form is available in the downloads section at www.remserv.com.au.

Utilities

Electricity costs can be salary packaged as described under in-house benefits on page 17. If you are entitled to claim the in-house benefit, you can salary package up to \$1,333.33 per FBT year towards electricity, certain public transport or a combination of both as FBT exempt. More information about the in-house benefit is available from www.remserv.com.au and from the fact forms about the in-house benefit.

Electricity (not including the in-house benefit), gas, telephone expenses, body corporate fees, cable services and council rates can be packaged under this category. Repairs and maintenance cannot be packaged. There is no GST payable on local government rates. These are full FBT benefits.

Each item represents a separate item type for packaging purposes. Adding additional utility items (eg adding electricity bills when you originally planned to package only rates) will constitute a change to your package.

If you live and work in a standard remote location, additional exemptions on residential fuel may be available to you. See the *Remote Area Information Booklet* for more information about inclusion of remote area benefits into your package. This booklet is accessible from the RemServ website www.remserv.com.au with the user name *health*.

Please note that expenses for investment properties cannot be packaged.

The options for payment of utilities are direct payment to the supplier, or reimbursement to you. You may need to add the *Utilities Fact Form* and required attachments for this benefit. This fact form is available in the downloads section at www.remserv.com.au when you complete your application.

FBT Exempt Benefit Items

The following items are concessionally treated or may be exempt for FBT purposes where requirements for FBT exemption are satisfied.

Details of each benefit are then given on the pages that follow.

Page	Benefit Item	FBT Status	Otherwise Tax Deductible Item	GST Status	Reportable Fringe Benefit
15	Motor vehicle novated lease	Concessional	No	Yes	Yes
15	Airport lounge membership	Exempt	Yes	Yes	No
16	Disability/income protection	Exempt	Yes	Yes	No
16	Financial Adviser Fees	Full/Exempt	Yes/No	Yes	Yes/No
16	Home office expenses	Exempt	Yes	Yes	No
16	In house benefit (electricity and/or public transport)	Exempt*	No	Yes	No*
18	Portable Electronic Devices	Full/Exempt	Yes/No	Yes	Yes/No
18	Professional memberships/subscriptions	Exempt	Yes	Yes	No
19	Self-education expenses	Exempt	Yes	Yes/No	No
19	Superannuation	Exempt	No	No	No
19	Work related travel expenses	Exempt	Yes	Yes/No	No
19	Work uniforms (ATO conditions apply)	Exempt	Yes	Yes	No

*FBT exempt status is only up to the limit of \$1,333.33 per FBT year

Concessionally treated items

Novated lease motor vehicle

For specific information regarding novated leasing, please refer to the Novated Leasing and Motor Vehicles information booklet for specific information regarding novated leasing of a motor vehicle. The RemServ iFleet team can be contacted for information and quotations on **1300 731 429**.

Financial advice is strongly recommended.

Exempt benefit Items

The following items may be packaged outside the FBT exemption cap limit where conditions for exempt status and packaging limits are met.

Airport lounge membership

You can salary package this benefit if it is directly related to your employment and you are already a current member.

The options for payments of this benefit are direct payment to the supplier or reimbursement to you. You may need to complete and submit the *Airport Lounge Membership Fact Form*. This fact form is available in the downloads section at www.remserv.com.au.

Disability/ income protection insurance

You can choose to package payment of your disability and income protection insurance premiums.

The options for payments of this benefit are direct payment to the insurance company or reimbursement to you. You will need to add the *Disability/Income Protection Fact Form* and required attachments for this benefit. This fact form is available in the downloads section at www.remserv.com.au when you complete your application.

Financial adviser fees

If you package your salary packaging financial adviser fees, this item will attract full FBT.

Financial advice on investments is classified as FBT exempt where it is otherwise tax deductible. Financial fees for the initial meeting cannot be packaged as no financial gain has been received at this time, however fees incurred after the initial meeting can be packaged. All other financial adviser fees attract FBT.

The options for payments of this benefit are direct payment to the financial adviser as a one off or regular payment or reimbursement to you. You will need to add the *Financial Adviser Fees Fact Form* and required attachments for this benefit. This fact form is available in the downloads section at www.remserv.com.au when you complete your application.

Home office expenses

You may package expenses related to running a home office, however it should be noted that special taxation laws apply regarding assets such as computers. You can package a desktop computer under the separate category below, however this is a full FBT benefit.

The options for payment of this benefit are direct payment to the supplier or reimbursement to you. You will need to add the *Home Office Fact Form* and required attachments for this benefit. This fact form is available in the downloads section at www.remserv.com.au when you complete your application.

In-house benefits

Employees of certain Queensland Government entities are entitled to salary package Queensland Government generated electricity and some public transport types as a fringe benefit tax (FBT) exempt benefit up to a combined limit of \$1,333.33 per FBT year (1 April – 31 March).

The benefit is offered as **reimbursement** from your salary packaging, **up to the value of \$1,333.33 per FBT year** for electricity, certain public transport or a combination of both.

More information can be found at www.remserv.com.au.

The benefit is offered as **reimbursement** from your salary packaging, **up to the value of \$1,333.33 per year** for your home electricity costs and/or public transport costs on certain public transport providers.

Employees of Government owned entities not listed in the *In-House Government Benefit Fact Form* may *not* package electricity or public transport as an in-house benefit until their employer has confirmation from the Australian Taxation Office (communicated also to RemServ) that electricity or public transport may be considered an in-house benefit.

Employees of Queensland Health (hospital employees), Queensland Ambulance and Queensland Rescue may request further salary packaged reimbursements or direct payments for electricity and public transport to be completed using the FBT concession available.

The concession threshold applies to the FBT year in which the reimbursement is made, not to the period in which it is incurred.

Payment for this benefit is as a reimbursement to you. You will need to provide a copy of your ticketing or electricity bill and your proof of payment (which may be the phone banking or BPay receipt number). This fact form is available in the downloads section at www.remserv.com.au.

Electricity

- Electricity excludes loans or levies included on the bill and is for the electricity charges only.
- The electricity bill can be addressed in your name or that of a spouse or relative living with you. If the electricity bill is not in your name you may be required to provide a statutory declaration to confirm that the person whose name appears on the bill is a spouse or relative living with you (ie an associate, according to the fringe benefits tax legislation definition).
- Electricity must be provided through electricity retailers sourcing electricity from Queensland Government owned generators.
- Employees of Queensland Government entities who are living and/or working interstate or overseas are not entitled to this concession. The exception to this rule is the Tenterfield local government area in New South Wales where Ergon is the retailer, supplying Queensland Government generated electricity.
- The concession threshold applies to the FBT year in which the reimbursement is made, not to the period in which it is incurred.
- Four claims per FBT year are included in your annual fee for the electricity and public transport in-house benefit. Further claims are processed at an additional charge of \$25.00 per claim.

Public transport

- Only ticketing for public transport services provided by **Brisbane City Council** and **Queensland Rail** may be packaged under this benefit.
- Employees of Government owned entities not listed on the RemServ web page may not package electricity or public transport as an in house benefit until their employer has confirmation from the Australian Taxation Office (communicated also to RemServ) that electricity and certain public transport may be considered an in house benefit.
- Only weekly, monthly, quarterly and annual tickets may be claimed.

- Thermal tickets should be photocopied for submission as these cannot otherwise be processed.
- Brisbane City Council 10 trip tickets cannot be claimed.
- GoCard users should print off their periodical internet statements for reimbursement. Each claim must include a signed claim form for acceptance by RemServ.
- You will be required to complete the declaration in the in-house benefit fact form if you wish to package reimbursement for public transport.
- The concession threshold applies to the FBT year in which the reimbursement is made, not to the period in which it is incurred.
- Four claims per FBT year are included in your annual fee for the electricity and public transport in-house benefit. Further claims are processed at an additional charge of \$25.00 per claim.

Portable Electronic Devices (primarily for use in employee's employment)

Changes in the Australian Federal Government Budget on 13 May 2008 have altered the status of laptop computers, electronic diaries and mobile phones for salary packaging.

To claim one of these items as FBT exempt requires a declaration that it is for primarily (ie more than 50%) for use in the employee's employment. You will need to sign the declaration and arrange for your immediate supervisor to provide his/her details and declaration on the work use.

You are also required to keep a diary of the actual daily usage of the device for at least one month. This diary may be called upon by RemServ, the employer, or the Australian Taxation Office to further support the usage to which the portable electronic device is put. You will need to keep the details of the usage for a period of at least 3 years from the end of the FBT year (31 March) in which the device is purchased.

More information and the declaration is included in the *Portable Electronic Devices Fact Form*. This fact form is available at www.remserv.com.au.

If you wish to package one of these items for personal use, they will attract full FBT.

The options for payments of this benefit are direct payment to the supplier on a one off or regular basis or reimbursement to you.

Professional association memberships and subscriptions (work related)

You can package memberships and subscriptions to professional associations that relate to your work.

The options for payment of this benefit are direct payment to the supplier or reimbursement to you. More information is included in the *Professional Memberships /Subscriptions Fact Form*. This fact form is available in the downloads section at www.remserv.com.au.

Self education expenses (related to the employee's current employment activities)

Self education expenses that relate to your current employment activities can be salary packaged.

The options for payment of this benefit are direct payment to the supplier or reimbursement to you. You will need to include your self education expense benefit declaration form for this benefit to confirm it is a work related expense.

More information is included in the *Self-Education Expenses Fact Form*. This fact form is available in the downloads section at www.remserv.com.au.

Superannuation to QSuper

You may choose to package contributions to your QSuper superannuation fund. Both mandatory and voluntary superannuation contributions made by way of salary sacrifice can only be made to QSuper. They may not be invested in any other fund. If you are already contributing from post tax dollars, you may convert your contributions to pre-tax dollars. Further information about superannuation is available in the *Superannuation Salary Packaging Booklet*.

If superannuation is the **only** benefit you plan to package, your application must be submitted on the **forms contained in the *Superannuation Salary Packaging Booklet***.

Work related travel expenses

You may package work related travel expenses (eg travel to a conference).

The payment options for this benefit are direct payment to the supplier, or reimbursement to you. You will need to add the *Work Related Travel Expenses Fact Form* and required attachments for this benefit. This fact form is available in the downloads section at www.remserv.com.au when you complete your application.

Work uniforms (ATO conditions apply)

Work uniforms can be salary packaged. They must be *non-compulsory* and your employer must have registered the work uniform with, and received approval from, the Secretary of the Commonwealth Department of Innovation, Industry, Science and Research in accordance with the approved Occupational Clothing Guidelines 2006.

The work uniform must be worn by you as an entirety or set, rather than individual pieces. The constant wearing of occupational clothing items in conjunction with conventional clothing may lead to the conclusion that the clothing is simply a collection of ordinary conventional clothing.

RemServ has been provided with a list of which uniforms within Government are registered. This list will be updated regularly, however if your uniform is not listed, there will be a delay in processing while this is verified.

The payment options for this benefit are direct payment to the supplier, or reimbursement to you. More information is included in the *Work Uniform Expenses Fact Form* for this benefit. This fact form is available in the downloads section at www.remserv.com.au.

Payments and Services

How packaging begins

When RemServ receives your forms, they will be checked and processed. RemServ will contact you or your adviser if your application is incomplete or missing required substantiation. Processing may be delayed in these circumstances. Once processing is completed, arrangements will be made with your payroll office to start your salary packaging deductions.

Commencement will be dependent upon the Queensland Government pay cycle arrangements.

Your payroll office will then forward the fortnightly deductions to RemServ to be held in the salary packaging account and you will see that salary packaging has commenced from the deduction listing on your payslip.

Please note that any changes (eg cancellation of direct debits) to your regular banking or payment arrangements that are required because of your salary packaging must be made by you.

How payments are made

Regular payments

Your payroll office sends through the funds to your RemServ salary packaging account as a lump sum amount for all staff, with a payment schedule showing the individual deductions for each employee, one or two days after you are paid your salary.

Regular benefit payments will then be processed, normally, within three working days of RemServ receiving the payroll office deduction and schedule. Timing of payments will be affected if the payroll office deduction and schedule are delayed or if there are insufficient funds in the account. You should contact RemServ once your first deduction appears on your payslip if you have particular requirements for the start date of a regular payment.

Miscellaneous payments

If you have selected benefits that are irregular (eg home office expenses), payments will normally be processed within three working days once you have submitted your account for direct payment, or account and receipt for reimbursement, assuming the correct substantiation has been provided and where there are sufficient funds accumulated in your salary packaging account. You should make it clear on your claim whether you require payment or reimbursement in full or if a part payment (for example where you have insufficient funds to make the full payment) is acceptable.

A Payment/Reimbursement Claim Form is available for download from the RemServ website www.remserv.com.au. Copies of accounts and receipts and any required declaration forms can be attached to this form.

Please note that regular payments, such as novated lease payments or own home mortgage payments will take precedence over requests for *ad hoc* payments or reimbursement requests.

Send your payment claims by:

By post:	By scanned email attachment from your work email address:	By fax:
Remuneration Services (Qld) Pty Ltd GPO Box 424 Brisbane QLD 4001	remserv@remserv.com.au	1300 30 18 66

What you need to know about payments

- Payments can only be made when appropriate substantiation has been provided.
- A minimum balance of \$100.00 must be retained in your salary packaging account in most circumstances. Superannuation only packaging does not have this requirement. This may affect your first benefit payment(s).
- Payments for novated leases will only be paid after two fortnightly contributions have been received from your payroll office. In some instances you may be required to meet the initial payments for your novated lease from your own after tax income prior to sufficient funds building in your salary packaging account.
- As a general rule, claims will not be accepted for reimbursement for benefits paid prior to commencement of packaging.
- No benefit payments will be made if there are insufficient funds. If there are no funds forwarded to RemServ by your payroll office, then you are responsible for any regular payments due. You will need to advise RemServ if you require a part payment rather than payment in full.
- All benefit payments will cease immediately if you terminate employment or are on leave without pay.
- Payments are made by electronic funds transfer or cheque. You should remember to include your bank account details on your application and on your payment/reimbursement request form.
- If requesting a direct payment, please ensure that you include the BPay details. These are often on the reverse side of the bill.
- Please be aware that any bank fees payable, due to incorrect account details provided by you, will be deducted from your salary packaging account.
- Please be aware that completion of a payment does not automatically cease or reduce your pay deduction. You should advise RemServ if you wish to cease your pay deduction.
- Some payments will be made against the existing substantiation and will cease when the substantiation expires. This applies where a total payment is completed or where the end date (eg on a lease agreement for a home rental) is reached. You will need to provide further substantiation for a payment to be restarted if this occurs.
- Payments for selected benefits can be made through a credit card and reimbursed to the card or other account. GST credits can only be claimed, however, if a valid tax invoice is provided with the credit card payment claim. RemServ also offers a tailored CBA MasterCard payment option which automatically uploads only selected salary packaging benefit types.

Statements

Transaction history statements are provided on a quarterly basis unless you request otherwise. In addition, "read only" access to your pay history report via the RemServ website is available.

You may access your individual pay history 24 hours per day, 7 days per week using personal identification number (PIN) provided by RemServ with your welcome letter. This user name and PIN can also be provided to you, once deductions have commenced, by the RemServ contact centre team on 1300 30 40 10.

Making changes

It is likely to be most beneficial to make any required changes to your superannuation before the end of the financial year (30 June). It is likely to be most beneficial to make any required changes to other packaged items before the end of the FBT year (31 March).

A change is where benefits are added or deleted, regular payment amounts are adjusted, or your pay deduction amounts alter. Changes to bank account details do not constitute a benefit change.

Three changes per year will be permitted without penalty, but all other changes to your package amount will incur a fee of \$50.00, except in one of the following situations if approved by your employer:

- inclusion of an employer provided non salary packaged motor vehicle;
- separation of the employee from their spouse;
- death of a partner or spouse;
- divorce;
- ill health;
- extended leave including parental leave;
- substantial change to the your salary (decrease of more than 10%);
- change of FBT exemption cap status; or
- any legislative change that impacts upon flexible salary packaging.

If your salary increases during the salary package year, the fortnightly deduction amount does not automatically change at that time.

Ceasing packaging

You may choose to cease salary packaging at any time by giving at least twenty-one days notice in writing to RemServ. However, please note that administration fees are applicable for less than a full package year as explained on page 5. Should you wish to recommence packaging a reintroduction fee of \$50.00 may apply.

Any funds remaining in your RemServ salary packaging account on termination or cessation of salary packaging cannot be taken as a cash payment – they must be utilised for benefit payments or may be returned to your payroll office by RemServ to be paid as salary and taxed accordingly. Any remaining GST credits received after your cessation will be returned to your payroll office.

If you terminate employment with Queensland Rescue, RemServ must be notified immediately by you as all FBT liability will need to be calculated up to your date of termination. If an instruction regarding your remaining funds is not received within two pay cycles, any remaining funds with RemServ will be returned to your payroll office for payment to you as taxed salary.

If you transfer between hospitals or to another Government department, you must also notify RemServ immediately to ensure that correct reporting to your payroll office and agency occurs. **You, as the employee, are responsible for all FBT owed and for any shortfall that may occur in your packaging.**

Changes in your working arrangements (eg transfers, secondments, relieving, etc)

If you transfer from your work group (permanently, temporarily, or part-time) and whether or not your payroll office processing site changes, your FBT exemption cap status may alter thereby affecting your liability for FBT. In these instances, your payroll

office and **RemServ must be notified immediately by you.** There is a transfer form that can be downloaded from the RemServ website for this purpose.

You are responsible for all FBT owing and for any shortfall that may occur in your packaging due to any change in FBT exemption cap status.

Salary Packaging And Taxation

Salary packaging and tax deductions

Any item packaged from pre tax dollars cannot be claimed as a deduction on your income tax return except in specific circumstances. You should discuss your income tax return claims with your tax advice specialist for more information.

Any item packaged from pre tax dollars must not already have been claimed as an expense through your employer.

Fringe Benefits Tax (FBT)

Any FBT liability incurred as a result of participating in salary packaging is the responsibility of the employee. As part of the administrative process, all employees are required to sign a Participation Agreement prior to commencing salary packaging. Clause 5 (Taxes, Costs and Other Charges) of this agreement provides a comprehensive explanation of employees' responsibility in this regard.

It is strongly recommended that employees read and fully understand the terms and conditions of the salary packaging arrangements as reflected in the agreement, and in particular Clause 5.

RFBA

Your employer is required to keep records of the fringe benefits provided to you and must record the grossed-up value of those fringe benefits on your payment summary (previously known as a group certificate) for the corresponding income tax year. This is the Reportable Fringe Benefit Amount (RFBA). An RFBA may impact an employee on income tests for benefits and obligations under certain Commonwealth laws. Employees are advised to seek external advice on this matter.

Grossing up

Grossing-up ensures that the amount of tax paid on a fringe benefit is the same as the tax paid if you receive cash salary which is taxed at the highest marginal rate, which includes the Medicare levy.

The current rates are:	Gross up rate for items attracting GST	2.0647
	Gross up rate for items without GST	1.8692

For example, an annual motor vehicle expense fringe benefit of \$2,200.00 will be grossed-up to \$4,542.34 using the gross-up rate of 2.0647 (gross up rate for items attracting GST). The FBT payable on such a payment would be \$2,112.19, using the current FBT rate 46.5%.

The gross-up rate of 1.8692 is used in calculating the Reportable Fringe Benefit Amount (RFBA) which appears on your payment summary (group certificate). For example, the RFBA of a motor vehicle expense of \$2,200.00 will be \$4,112.24.

FBT exemption cap status

FBT exemption cap status is a provision under the FBT legislation applicable to employees working exclusively in and for certain business areas of Queensland Rescue, Queensland Health and Queensland Ambulance Service, and effectively limits FBT exemption to a cap of \$17,000 grossed up taxable value (GUTV).

A grossed-up value of \$17,000 equates to actual fringe benefit items costing between \$8,234 and \$9,095 in total (depending on the impact of GST) for the FBT year ending 31 March, constituting the employer cap limit.

The FBT exemption cap operates per employee/per employer/per FBT year. For FBT purposes the Crown is the employer, and not Queensland Rescue, Queensland Health, a hospital, a District, or Corporate Office. The FBT year is from 1 April to 31 March.

It is important to understand that the FBT exemption cap applies only to benefits provided while the employee is employed within and working for the defined FBT concessional eligible areas. Employees whose official duties, normal working arrangements and reporting relationships are split part-time between FBT concession and non-FBT concession business areas are regarded as ineligible for FBT exemption cap status (ie must be 100% eligible in terms of the overall employment arrangements for the Crown as the employer for FBT purposes).

No employee should regard FBT exemption cap status as an entitlement. It is simply a tax concession currently available to certain parts of Queensland Health based on the application of the FBT legislation. While Queensland Health has made every effort to ensure this application is correct it is open to the ATO to change its position at any stage as it is a question of legislative interpretation.

If you exceed the cap for any reason, FBT is payable by you on all amounts over the \$17,000 grossed up figure. Any FBT liability incurred as a result of participating in salary packaging is the responsibility of the employee. As part of the administrative process, all employees are required to sign a Participation Agreement prior to commencing salary packaging. Clause 5 (Taxes, Costs and Other Charges) of this agreement provides a comprehensive explanation of employees' responsibility in this regard.

It is strongly recommended that employees read and fully understand the terms and conditions of the salary packaging arrangements as reflected in the agreement, and in particular Clause 5.

Change of FBT exemption cap status due to role change

Please note that if you are seconded, promoted, transferred, relieving or otherwise undertaking duties in another position or unit etc, whether permanently, temporarily or part-time, and whether or not your payroll office processing site changes, your FBT exemption cap status may alter thereby affecting your liability for FBT. In these instances, your payroll office and RemServ must be notified immediately by you. There is a transfer form that can be downloaded from the RemServ website for this purpose.

Employees need to be aware that FBT concession audits are undertaken on a regular basis to identify any employees incorrectly claiming eligibility for the FBT exemption cap.

You are responsible for all FBT owing and for any shortfall that may occur in your packaging due to any change in FBT exemption cap status.

Potential legislative changes and risk

You should be aware that any change in legislation or ATO interpretation and subsequent FBT liability is solely yours. No compensation is available in such circumstances. Employees should be aware of these facts if intending to rely on the long term eligibility for or existence of the FBT cap.

What happens at the end of the FBT year?

If a package is not fully spent at FBT year-end, any credit balance will be left in your salary package account and rolled over into the new package year. It should be noted, however, that any unused portion of an FBT concession cap (Queensland Health (hospital employees), Queensland Rescue, Legal Aid Queensland, Queensland Ambulance Service only) is not able to be used in subsequent years, so any credit spent in the new FBT year will fall within the new FBT year's cap.

Reportable fringe benefits and Government allowances

The reportable fringe benefits total will not be included in your taxable income or affect the amount of standard Medicare levy you pay. The total will, however, be used for income tests such as:

- Medicare levy surcharge
- HELP (formerly HECS) repayments
- Child support obligations
- Entitlement to certain income tested government benefits.

The reportable fringe benefits total will be taken into account in the income tests for some other benefits but will include the non grossed up value. This includes benefits such as:

- Family Tax Benefit
- Child Care Benefit
- Youth Allowance (parental income test).

For further details please contact the Tax Information Line 13 28 61 (toll free) or through the ATO assist web site www.ato.gov.au.

Non salary packaged taxable fringe benefits

It is the responsibility of all Queensland Rescue employees who are salary packaging to provide RemServ with an estimate of any non salary packaged fringe benefit grossed up taxable value amounts. It is recommended that employees discuss this aspect with their independent financial advisers in order to minimise the risk of incurring an FBT liability. **It is very important that you advise RemServ of the GUTV of the non salary packaged benefit provided, even if this is only an estimate.** RemServ will enter an adjustment to minimise the risk of your exceeding your cap limit and incurring an FBT liability. It is your responsibility to advise of any expected changes of this value.

Some of the more common non-salary packaging taxable fringe benefits are:

- car benefits (eg from home garaging a pool vehicle or full private use entitlements),
- remote area rental assistance,
- remote area holiday transport,
- remote area residential fuel,
- loan fringe benefits (eg through a salary overpayment not repaid immediately once recognised),
- debt waivers (eg through writing off a salary overpayment), and
- Living Away From Home Allowance (LAFHA).

As part of the Salary Packaging Application Form, employees are to provide RemServ with an estimate of the grossed up taxable value (GUTV) of their non-salary packaging taxable fringe benefits. This estimate is used by RemServ in monitoring the employee's total GUTV against the \$17,000 cap, and withholding of FBT if necessary.

If you are provided with a Queensland Rescue vehicle as a non salary packaged fringe benefit, it is your responsibility to confirm with Queensland Rescue the possible FBT value of the car for adjusted cap purposes. If you change your car during the year it is again your responsibility to confirm any possible changes to your FBT value for adjusted capping purposes. **Queensland Rescue will not automatically advise you of these changes.**

Queensland Rescue Motor Vehicle Provision

If you have a car provided to you by Queensland Rescue, the estimated grossed up taxable value (GUTV) of the vehicle must be provided to RemServ.

Your vehicle value for FBT purposes is based on the base value of the vehicle and the number of annualised kilometres travelled in the FBT year. The following table shows the differences in calculation depending on the annualised kilometres travelled in an FBT year (1 April – 31 March) for a vehicle with a base value of \$44,000.

Annualised Kilometres Travelled	Australian Taxation Office Statutory Percentage	Grossed Up Taxable Value (GUTV)
Less than 15,000 kms	26%	\$23,620
15,000 – 24,999 kms	20%	\$18,169
25,000 – 40,000 kms	11%	\$9,993
Over 40,000 kms	7%	\$6,359

It is very important that you advise RemServ of the GUTV of the vehicle provided, even if this is only an estimate. RemServ will enter an adjustment to minimise the risk of your exceeding your cap limit and incurring an FBT liability. It is your responsibility to advise of any expected changes for the GUTV of the vehicle.

In the example below, an employee who was expecting to travel over 40,000 kilometres in the FBT year would incur an FBT liability of \$1,690 if he/she had packaged the amount of \$10,641 and then travelled less than 40,000 kilometres.

Travel distance for FBT year	Over 40,000 kms	25,000 – 40,000 kms
Vehicle grossed up taxable value	\$6,359	\$9,993
Available cap remaining for other packaging	\$10,641	\$7,007
FBT payable	None if within the cap limit	None if within the cap limit
Amount of FBT payable \$10,641 (grossed up) spent on salary packaged benefits	None – still within the cap	\$1,690

If you are aware that you are going to travel fewer kilometres, you may then prefer to change your package arrangement.

Remote Area Holiday Transport and Residential Fuel Benefits

If you are entitled to remote area rental assistance, remote area holiday transport or remote area residential fuel you should note that while these categories of fringe benefits are not required to be reported on your payment summary, they are taxable

fringe benefits and included in calculating the GUTV of fringe benefits included in the \$17,000 threshold.

GST input tax credits

You must package enough to pay the applicable GST on any item you select. If GST applies to a benefit item, then the tax invoice must be submitted to RemServ. RemServ will then pass the relevant information to your employer and these will be claimed by your employer. Your employer will then refund the GST credit back through RemServ to your salary packaging account.

Any benefit expense either paid or reimbursed that has applicable GST will be eligible to be claimed back if a valid tax invoice is provided as substantiation.

Appendix 1 – Glossary of Terms

Term	Explanation
Annualised kilometres (for Queensland Rescue provided vehicles)	If the car was held for a part of the FBT year (1 April to 31 March) this is arrived at by extrapolating part year distance to full year based on days held by provider (i.e. total days held by QFleet, not just by Queensland Rescue). If a full year, the calculation is based only on the distance travelled during the FBT year.
Car parking fringe benefit	A car parking fringe benefit, very broadly speaking, may arise for each day on which your employer provides a car parking space for your use. If the space is provided in a commercial car parking station the liability for the use of the space should accrue to your employer.
FBT	Fringe Benefits Tax. Currently 46.5%
FBT exemption cap status	FBT exemption cap status is a provision under the FBT legislation applicable to employees working exclusively in and for <u>certain business areas</u> of Queensland Health, Queensland Rescue, Queensland Ambulance Service, Legal Aid Queensland and effectively limits FBT exemption to a cap of \$17,000 grossed up taxable value (GUTV) or \$30,000 GUTV for Legal Aid Queensland.
Grossed up	Grossing-up ensures that the amount of tax paid on a fringe benefit is the same as the tax paid if you receive cash salary which is taxed at the highest marginal rate (46.5%), which includes the Medicare levy. The gross up rate is either 2.0647 (where GST is incurred) or 1.8692 (where GST is not incurred).
GST	Goods and Services Tax
GUTV	Grossed Up Taxable Value
Novated lease	Lease arrangement (usually for motor vehicles) which sets up an agreement between you, your employer and the financier. Please see the Novated Lease Booklet for information about salary packaging a novated lease motor vehicle.
Post tax income	Salary received after the income tax has been deducted
Pre tax income	Salary amount before the income tax deduction
Residual benefit	A benefit where the liability for the provision of the service (eg child care) accrues to the employer.
Salary sacrifice	Alternative term for salary packaging. A means of taking pre-income tax income as benefits.