

# Superannuation 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 for superannuation. It has been written specifically for you as an employee of the Queensland Government.

Salary packaging is allowed under the Income Tax and Fringe Benefits Tax Assessment Acts and through the Standing Offer Arrangement 250 with the Queensland Government.

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. You are strongly encouraged to obtain financial advice if you wish to participate in superannuation salary packaging.

The Queensland Government and Remuneration Services (Qld) Pty Ltd ('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 October 2008.

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 or our Client Establishment Team on 1300 73 66 62. The RemServ website is [www.remserv.com.au](http://www.remserv.com.au).

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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 39 40 or from our website [www.remserv.com.au](http://www.remserv.com.au).

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## About Superannuation 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 for benefits such as superannuation. 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 personal circumstances will determine whether salary packaging superannuation will be of benefit to you. You should talk to your financial adviser or visit the QSuper website to see how salary packaging could benefit you: [www.qsuper.com.au/public/members/your\\_qsuper\\_options/making\\_contributions/salary\\_sacrifice.asp](http://www.qsuper.com.au/public/members/your_qsuper_options/making_contributions/salary_sacrifice.asp).

## 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.

## 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 know about salary packaging superannuation

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.

- Annual administration fees are payable by you.
- It is not possible to salary package spouse superannuation contributions. However, you can choose to transfer some or all of your contributions (conditions apply) made in a financial year after the year has been completed.
- All superannuation contributions will cease immediately if you terminate your employment or are on leave without pay.
- Financial advice, though not required, is recommended if you choose to salary package superannuation only.
- It is your responsibility to check your pay slip to ensure that the correct amounts are being deducted and to notify RemServ if the amounts are not as requested.

## What does it cost?

Superannuation only salary packaging	\$35.00 per year payable as \$1.35 per fortnight through a pay deduction
--------------------------------------	--

- Your fee is payable from pre tax income to provide you with the tax benefit, as superannuation salary packaging fees paid for from after tax income cannot be claimed as a tax deduction.
- The full year's fee is payable. If you decide to cease packaging part way through the year the fee must still be paid in full. This will be arranged as a payroll deduction request or as an invoice for payment.

## Financial advice

### 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.**

## How do I start salary packaging?

1. 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 RemServ:

- (a) By posting the **original** forms to:  
RemServ  
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](mailto: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 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 and Main Roads	qldgov
Education Queensland	education
Legal Aid Queensland	laq
Queensland Ambulance Service	qas
Queensland Health	health
Queensland Rescue	qldrescue
Queensland Police Service	qld police

## Where can I go for extra information?

The RemServ contact centre can assist with general information regarding salary packaging. This service operates from 8:00am to 6:00pm (Qld time) Monday to Friday. Please note that this service does not provide financial advice.

RemServ Contact Centre	1300 30 40 10
RemServ Fax	1300 30 18 66
RemServ Easy Start Team	1300 73 66 62
QSuper	1300 360 750
QSuper operating hours	8.30am – 5.00pm Monday to Thursday 9.00am – 5.00pm Friday

## Salary Packaging to QSuper

You may choose to commence standard contributions and/or voluntary contributions on a regular basis to QSuper. Salary packaging to other funds is not available. If already contributing from post tax dollars, you may convert your contributions to pre tax dollars.

QSuper contribution payments are made direct to QSuper by the payroll office(s).

## Salary Packaging to State or Police Accounts

Salary packaging to State and Police accounts is available. If you wish to package your superannuation in your State or Police superannuation fund, it is mandatory that you call QSuper on the above number for details of the correct contribution rate (including the appropriate gross up).

This advice must be presented to RemServ to confirm the correct contribution rate is specified on your application form. The contribution rate will vary from person to person. Please note State and Police superannuation members must contribute at the rate advised by QSuper. You are required to provide a copy of this advice with your application or amendment.

## What is contributions tax?

Packaging superannuation contributions means that your employer makes the payment via salary packaging on your behalf without FBT or the deduction of PAYG tax applying.

Your standard contributions, paid from your after tax income are free from contributions tax. However, all employer contributions and salary packaged pre tax amounts are taxed at the rate of 15%, when they are paid into superannuation. Members of the Defined Benefit account will need to marginally increase their standard contribution to cover the amount deducted for the contributions tax and ensure they receive the same yearly growth multiple. (The application form shows the relevant percentage increase.) This increase is not compulsory, but if you choose not to pay the increased amount your end benefit will be reduced.

**NOTE: The State and Police members are required to gross-up to the rates advised by QSuper.** This is why members are required to contact QSuper to establish what the correct rate is for their individual case.

## What about employer contributions?

If you pay a standard contribution into an Accumulation or Defined Benefit account, you will also receive an extra employer contribution as shown in the following tables.

### Accumulation account

**The maximum contribution is 5% for Accumulation account members**, however you may pay an additional voluntary contribution to cover the contributions tax.

Employee post tax %	Employee pre tax % without gross up	Employer contribution
2%	2%	9.75%
3%	3%	10.75%
4%	4%	11.75%
5%	5%	12.75%

### Defined Benefit account

When converting existing standard contributions from post-tax dollars to salary packaging pre-tax dollars, the following conversions in the gross up column apply to cover the 15% employer contributions tax for **Defined Benefit** members.

Employee post tax %	Employee pre tax % with gross up	Multiple growth post tax or pre tax with gross up
2%	2.35%	0.135
3%	3.52%	0.160
4%	4.70%	0.185
5%	5.88%	0.210
*6%	7.05%	0.235
*7%	8.23%	0.260
*8%	9.41%	0.285

\* Denotes catch-up rates for periods where less than the standard 5% was previously contributed. Catch up applies only to Defined Benefit members.

The employee pre tax percentage with gross up is rounded to two (2) decimal places per QSuper requirements when calculating the dollar amount to be deducted by payroll.

## The Commonwealth Government Co-Contribution Scheme

From 1 July 2003, the Commonwealth Government Co-Contribution benefit is available to some employees who make personal after tax contributions to their superannuation. The Government will determine eligibility once a year by matching personal contribution details with income details provided on tax returns. For more information on this scheme please contact QSuper.

Salary packaged (before tax) contributions do not apply under this scheme.

You should contact your payroll office about any after tax contributions you require.

## QSuper Account Types

You may package superannuation to QSuper Defined Benefit and Accumulation accounts or to a State or Police account. You **must** contact QSuper to find out your grossed up contribution percentage if packaging to Police or State accounts.

If you are unsure of your account type or would like a copy of QSuper's *Salary Sacrifice Guide* or have any questions regarding QSuper and the treatment of salary package superannuation contributions, you can contact a QSuper Information Officer **on 1300 360 750** or visit their website at **[www.qsuper.com.au](http://www.qsuper.com.au)**. QSuper does not provide salary packaging advice.

### Defined Benefit Account

A Defined Benefit account provides benefits calculated according to salary, contribution rate and length of account membership. The QSuper Trust Deed defines how the benefit is calculated using these factors. The value of benefits is therefore guaranteed by the QSuper Deed and is not linked to investment returns.

In many cases QSuper members with Defined Benefit accounts will also have an Accumulation account, linked to their Defined Benefit account, where their voluntary contributions are invested.

### Accumulation Account

An Accumulation account works like a bank account accepting deposits, being credited with investment earnings and having fees and tax deducted. Growth in an Accumulation account is linked to investment returns rather than salary growth.

Please note that the QSuper Accumulation account now incorporates voluntary contributions made by members with Defined Benefit accounts, so many QSuper members have an Accumulation account of some form.

### **Transferring Between Account Types**

If you wish to transfer between account types, you **must** contact QSuper. You cannot effect a change of account type using the salary packaging forms. If you are not sure which account type you are in, please refer to your most recent member benefit statement or contact QSuper on 1300 360 750.

### **Investment Options**

QSuper offers investment options ranging from low risk and return to higher risk and return. You can select any combination of these options for any funds in an Accumulation account. Selection of investment options is not required for the Defined Benefit account.

The option(s) you choose are to be arranged between you and QSuper. Your payroll office will only forward an amount, not investment instructions, to QSuper. Investment switch forms may be obtained from the QSuper website or by contacting QSuper.

### **Choosing Your Options**

A range of calculators are available on QSuper's website, which can:

- show the tax saving available through salary packaging your super contributions and how much extra you could contribute but still retain the same take home pay;
- help you plan your current QSuper arrangements for the long term;
- calculate future contributions required for retirement;
- provide a forecast of how long your money will last in retirement; and
- many more!

To use the QSuper benefit calculator, visit [www.qsuper.com.au](http://www.qsuper.com.au) and follow the prompts.

QSuper also has salary packaging workbooks which may be downloaded from their website or obtained by telephoning them on **1300 360 750**.

## **Packaging and Services**

### **How packaging begins**

After receiving your completed forms, RemServ will make the necessary arrangements with your payroll office(s) to commence salary packaging in accordance with your application.

Your payroll office will forward your packaged amount to QSuper directly. Your administration fee will be forwarded to RemServ. Commencement will be dependent upon the pay cycle arrangements of your Agency. You should check your payslip to ensure that the pay deductions commence as required.

### **Making changes**

You can make changes to your superannuation packaging at the beginning of each financial year (1 July).



Your salary package may also be changed if any of the following occurs:

- inclusion of a non salary sacrifice benefit provided by your employer;
- separation of the employee from their spouse;
- death of a partner or spouse;
- divorce;
- ill health;
- extended leave including parental leave;
- substantial change to your salary (decrease of more than 10%); and
- any legislative change that impacts upon flexible salary packaging.

If your employer authorises an alteration to a package for reasons other than those mentioned above a \$25.00 fee may be applied, however three changes per year will be permitted without penalty. You, as the employee, will be responsible for any fee if applicable.

If your salary increases during the salary package year, your fortnightly packaged amount may not change at this time. However, the following circumstances could occur.

- If your superannuation contributions go into a Defined Benefit account, then an increase in your salary would not change the amount forwarded to QSuper or be put into place until the commencement of the next Financial Year on 1 July.
- If your superannuation contributions go into an Accumulation account as a percentage amount, then an increase in your salary would change the amount forwarded to QSuper, as the percentage would now be based on your higher salary.
- If your salary reduces (e.g. changed time fraction) such that the existing salary packaging arrangements would result in your salary component falling below 50%, it is your responsibility to notify RemServ of changes needed to adjust your salary package to ensure it complies with the policy requirements.

**If you change departments, or change payroll arrangements, it is your responsibility to notify RemServ. You should also contact RemServ if you change your address.**

**If you change your QSuper account please include a copy of the account change notification from QSuper with your salary packaging amendment.**

## **Ceasing packaging**

You may elect at any time to cease salary packaging by giving at least twenty-one days notice in writing to RemServ using the Salary Packaging Cessation Form which may be downloaded from the RemServ website [www.remserv.com.au](http://www.remserv.com.au).

Should you wish to recommence superannuation salary packaging the full \$35.00 annual fee is applicable.

You may be required to cease or suspend any salary packaging arrangements during any period of leave without pay. In most instances approval of any period of leave without pay will require you to cease or suspend salary packaging.

## **Taxation and Benefit Limits for Superannuation**

Superannuation salary packaging arrangements may lead to personal taxation savings and hence increased net pay. There are, however, other tax considerations.

### **Contributions Tax**

Salary packaged pre-tax contributions are deemed employer contributions and are taxed at the rate of 15% as they are paid into superannuation. Post tax contributions are free from contributions tax. If packaging to a Police or State accounts you will need to contact QSuper to determine the correct gross up rate.

### **Contribution Limits**

The total deduction available to an employer for superannuation contributions for each employee is limited according to the age of the employee.

From 1 July 2007, the Australian Government allows contributions of up to \$50,000 per year before tax to superannuation. Until 2011-2012, if you are over 50 and still working you can contribute up to \$100,000 per year.

It is also possible to contribute additional amounts from post tax income.

Talk to QSuper for more information about the limits and what you can contribute.

# The Queensland Government

RemServ

GPO Box 424

Brisbane, QLD 4001

www.remserv.com.au

Enquiries: 1300 30 40 10

To start packaging from your pre tax income to QSuper, please complete the following or call the RemServ Easy Start team on 1300 73 66 62

## Superannuation Salary Packaging Application Form - Confidential

### Section 1 – Contact Details

Title \_\_\_\_\_ Given Names \_\_\_\_\_ Surname \_\_\_\_\_

Preferred Name (if different) \_\_\_\_\_ Date of Birth \_\_\_\_/\_\_\_\_/\_\_\_\_ Gender: M / F

Telephone: Work ( ) \_\_\_\_\_ Home ( ) \_\_\_\_\_

Work Fax ( ) \_\_\_\_\_ Home Fax ( ) \_\_\_\_\_

Mobile: \_\_\_\_\_ Home unit/suite/apartment number: \_\_\_\_\_

Street Address: \_\_\_\_\_

Home Postal Address (if different from above): Postal box number (where applicable) \_\_\_\_\_

Suburb: \_\_\_\_\_ Post Code \_\_\_\_\_

Name of Employer: \_\_\_\_\_

Work Address: \_\_\_\_\_

Suburb: \_\_\_\_\_ Post Code \_\_\_\_\_

Position Title: \_\_\_\_\_

Work E-Mail: \_\_\_\_\_ Personal E-Mail: \_\_\_\_\_

Address for forwarding of correspondence: Home [ ] Business [ ]

Section 2 – Payroll Details: Payroll ID Number \_\_\_\_\_ Employer Payroll Office \_\_\_\_\_

Corporate Office/Statewide Service/District where applicable \_\_\_\_\_

Pay Status (circle one) Permanent: Full Time / Part Time Temporary: Full Time / Part Time

Please contact [ ] Me OR [ ] My financial adviser if any clarification is required for my application. Please include a Third Party Authorisation form if you wish your adviser to act on your behalf on an ongoing basis.

**Acceptance:** I hereby authorise the payroll officer to make the amendments or commencements to my superannuation contributions, as indicated in this application, with effect from the next available pay fortnight, until further notice. I understand the figures that I have represented here will be processed by RemServ and submitted to my payroll office and that the fee of \$1.35 per fortnight will be directed to RemServ from my pre tax income. I acknowledge and agree that I have read, understood and accepted the Privacy Policy and Important Information provided with this application and have read, understood and completed the participation agreement.

### Client Survey

As part of its contract with your employer for the provision of salary packaging services, Remuneration Services (Qld) Pty Ltd (RemServ) engages a third party to conduct client surveys on its behalf. Please indicate below whether you consent or do not consent to be contacted by a third party engaged by RemServ to participate in its client surveys:

☐

I consent to be contacted by a third party engaged by RemServ to participate in the annual client survey.

☐

I do not consent to be contacted by a third party engaged by RemServ to participate in the annual client survey.

Name (printed) .....

Signature ..... Date .....

### Privacy Notice

Remuneration Services (Qld) Pty Ltd (RemServ) is collecting your personal information, on behalf of the State of Queensland, for the purpose of assessing your application for salary packaging, and, in the event that you enter into an agreement with the State of Queensland to salary package, for the purpose of administering your salary packaging arrangement.

In administering your salary packaging arrangement, RemServ will pass your personal information on to your employer. Your personal information may be passed onto the Queensland Government Chief Procurement Office, Department of Public Works; the Department of Employment and Industrial Relations; and Queensland Treasury in relation to contract management and auditing requirements. Your name and postal address will be passed onto a mailing house for the distribution of statements and odometer reminders in relation to Novated Leases only.

Your personal information will not be used for any other purpose or disclosed to any other third parties, without your consent, unless authorised or required by law.

## Nominating your contributions

This form cannot be used to transfer between account types. If you want more information about transferring from one account to another, please contact QSuper.

If you are unsure of which account type you are currently in, please refer to your latest benefit statement or contact QSuper **before** completing these forms.

**If you change account types in the future, you must also inform RemServ.**

### Part A – Standard superannuation contributions (sometimes known as “compulsory”)

Select only **ONE** of the following account options.

Please tick the amount you wish to contribute for your superannuation account type.

#### Accumulation account only

☐ 5%

☐ 4%

☐ 3%

☐ 2%

**NOTE:** If you wish to offset the contributions tax to ensure you can achieve the maximum available growth in your account, please nominate a voluntary contribution in Part B.

OR

#### Defined Benefit account only

☐ 5%

☐ 4%

☐ 3%

☐ 2%

**NOTE:** Your contribution will be increased as shown in the table on page 6 to cover the 15% contributions tax on your contribution when it enters the fund. This will ensure you can achieve the maximum available growth in your account.

The following rates are only available to pre-approved Defined Benefit members catching up after previously paying less than 5%.

☐ 6%

☐ 7%

☐ 8%

OR

#### State/Police accounts only

I am a member of ☐ the State account ☐ the Police account

**IMPORTANT!** You must contact QSuper to obtain the correct contributions rate as the contribution rates differ on an individual basis. The rate must be the rate provided to you in writing by QSuper.

QSuper has informed me that my contribution rate is ..... %

### Part B – Voluntary superannuation contributions

I wish to make additional voluntary contributions **each fortnight** from my pre-tax income of

\$.....

Consider revising this amount yearly, e.g. when you receive your QSuper Benefit Statement, or when you receive an increase in pay.

**Note:** if you do not wish to make additional voluntary contributions, please leave this blank and complete the rest of the application.

# Salary Packaging Participation Agreement

## State of Queensland

This Agreement is BETWEEN:

The STATE OF QUEENSLAND, through the relevant Queensland Government department or agency (the Employer),

AND \_\_\_\_\_ (the Employee).

Print Employee name

The Employer offers the Employee the option to participate in salary packaging.

RemServ has been appointed, through the execution of SOA 250, by the Queensland Government to administer the Employer's salary packaging arrangements. The salary packaging will be administered in consultation with your payroll, QGCPO and DEIR.

The Employer and Employee agree on the following terms and conditions:

### **SALARY PACKAGE TERMS**

1. The Employee must make Salary Packaging arrangements only on a prospective basis. This means that before the Employee has earned the entitlement to receive an amount as salary, the Employee agrees to receive part of their salary as a benefit item.
2. Salary Packaging deductions will be deducted fortnightly by the Employer.
3. (a) The Employee must satisfy him or herself as to the benefit and risk associated with salary sacrifice arrangements.  
(b) The Employee may elect to avail of one or more of the benefit items approved by the Queensland Government for salary packaging purposes, providing the aggregate gross value of the items (excluding superannuation, for which there is no packaging limit) does not exceed 50% of the total salary payable for the FBT year, payable fortnightly.
4. The participation of the Employee in salary packaging shall be:  
(a) at no cost to the Employer; and  
(b) at the sole financial risk of the Employee.

### **TAXES, COSTS AND OTHER CHARGES**

5. (a) All taxes including FBT, charges, fees, or other costs associated with salary packaging shall be the responsibility of the Employee.  
(b) (i) The risk of incurring an FBT liability is solely the Employee's, regardless of the circumstances that result in FBT.  
(ii) The Employee must make provision for FBT in advance of incurring the liability.  
(iii) The Employee acknowledges that access to an FBT exemption cap is not an Employee entitlement. An FBT exemption cap is a tax concession made under the *Fringe Benefits Tax Assessment Act 1986* for limited categories of employers, not employees.

- (iv) Eligibility for an FBT exemption cap is determined by the Employer's interpretation of the *Fringe Benefits Tax Assessment Act 1986*, ATO rulings, determinations and interpretative decisions.
- (v) The Employee, whether eligible to an FBT exemption cap or not, is liable for any FBT incurred either through exceeding any FBT exemption cap or by salary packaging a benefit item that attracts FBT.
- (c) (i) Where any FBT liability is identified by RemServ, the FBT will be withheld from the Employee's salary sacrifice trust account with RemServ at the time of the relevant transaction, to be transferred to the Employer.
- (ii) Any outstanding FBT liability has the first call on the Employee's salary sacrifice trust account with RemServ, and as such has priority over any further salary packaging benefit items provided to the Employee.
- (iii) By entering into salary packaging arrangements, the Employee consents to and authorizes RemServ to transfer funds from the Employee's salary sacrifice trust account to the Employer to meet any FBT liability outstanding.
- (iv) Where insufficient funds are held in the Employee's salary sacrifice trust account to meet any FBT liability outstanding, the Employee agrees to make arrangements within a reasonable time with the Employer to repay the FBT liability within an agreed reasonable timeframe. The Employee recognizes that failure to repay any FBT liability may result in withdrawal of the Employee's access to salary packaging arrangements and the recovery of the FBT debt by the Employer in accordance with the Employer's FBT debts and recovery policy.
- (v) Where an FBT liability remains outstanding as at the date of termination of the Employee's employment, the Employee agrees for the Employer to deduct from any monies payable by the Employer to the Employee, the amount necessary to payout the FBT liability, including any relevant penalties imposed by the ATO. If after such deduction there still remains an FBT liability, the Employee agrees to make arrangements with the Employer to repay the FBT liability within an agreed reasonable timeframe. The Employee recognizes that failure to repay any FBT liability will result in the recovery of the FBT debt by the Employer in accordance with the Employer's FBT debts and recovery policy.
- (d) For employees not eligible for an FBT exemption cap, the Employer's FBT liability for taxable non-salary sacrifice fringe benefits, which are exclusive of those provided as part of salary packaging arrangements, remains the responsibility of the Employer.
- (e) For an Employee eligible for an FBT exemption cap, all non-salary sacrifice taxable fringe benefits have first priority in the application of the FBT exemption cap. If this threshold is exceeded by the addition of the GUTV of salary sacrifice fringe benefits, the resultant FBT liability will be deemed to be arising because of salary packaging regardless of the circumstances, and is therefore the responsibility of the Employee.
- (f) For an Employee eligible for an FBT exemption cap and who is salary packaging, where a subsequent change in employment conditions or position incorporates the provision of a non-salary sacrifice taxable fringe benefit which results in the FBT exemption cap being exceeded, the resultant FBT liability will be deemed to be arising because of salary packaging, and is therefore the responsibility of the Employee.

- (g) (i) The Employee must provide reasonable estimates of the GUTV of taxable non-salary sacrifice fringe benefits each FBT year to RemServ for monitoring the Employee's position against the FBT exemption cap.
- (ii) In the absence of more accurate information, RemServ may use the prior FBT year information as an estimate for the purposes of monitoring to ensure the FBT exemption cap is not exceeded. Where the Employee's circumstances have altered since the prior FBT year, it will be the Employee's responsibility to provide RemServ with a revised estimate and the reason why it is necessary.
- (h) (i) Post-FBT year adjustments in relation to any FBT liability which could occur inadvertently are the responsibility of the Employee, e.g. where the quantum of non-salary sacrifice fringe benefits was higher than estimated and/or factored into the Employee's salary packaging arrangements.
- (ii) Conversely, where estimates of the GUTV of non-salary sacrifice fringe benefits were factored into RemServ's monitoring of the FBT exemption cap and the actual GUTV calculation was lower than estimated, the residual of the threshold lapses and does not carry over to the next FBT year in accordance with the FBT legislation.
- (i) (i) Where the Employee's conditions of employment or position changes during the FBT year (temporarily or permanently) altering the FBT status of the Employee, it is the Employee's responsibility to formally advise RemServ of the change within 7 days (failure to do so may result in the withdrawal of access to the salary packaging arrangements).
- (ii) The FBT exemption cap applies only to benefits provided while the Employee is working in and for the designated eligible business area or agency. Where the Employee is seconded, promoted, transferred to or relieving in an ineligible business area or agency, whether permanently, temporarily or part-time, and whether or not the Employee's payroll processing site changes, regardless of which business area or agency bears the costs, the Employee will cease to be eligible for the relevant FBT exemption cap from the first day of the change.
- (iii) Where the Employee's official duties, overall employment arrangements and reporting relationships are split between eligible and ineligible business areas or agencies, the Employee may no longer qualify for an FBT exemption cap depending on the specific provision of the FBT legislation applicable as determined by the Employer.
- (iv) Where the Employee's FBT status alters during an FBT year, the relevant fringe benefits provided in relation to the periods the Employee was eligible and ineligible for the FBT exemption cap, require separate FBT treatment. To remove any doubt this means that all taxable fringe benefits provided while the Employee is ineligible for the FBT exemption cap, will be subject to FBT, and that the FBT exemption cap applies to those taxable fringe benefits provided while the Employee is eligible for the FBT exemption cap.
- (j) The Employee recognizes that interpretation of the *Fringe Benefits Tax Assessment Act 1986* and its application is at the sole discretion of the Employer.
- (k) The Employee agrees to obtain and provide to RemServ, the Employer, the ATO and/or any other relevant person or body, all necessary declaration forms, receipts and supporting documentation and information reasonably required of the Employee by the Employer or required to

be provided for the purposes of taxation legislation in respect of any benefits provided to the Employee under the salary packaging arrangements ("required information").

(l) The Employee is responsible for all costs, losses, outgoings and liabilities of every description including, without limitation, any penalties, or general interest charge payable under any taxation legislation suffered or incurred by the Employer, arising out of any failure on the Employee's part to provide any required information or for any inaccuracies or omissions in any required information provided by the Employee.

6. Any additional costs incurred as a result of termination or cessation of the Employee's salary package shall be the responsibility of the Employee. The Employer may recover such costs from the Employee as a debt due.
7. (a) If any part of the Salary Package has been paid in advance by the Employer or RemServ and this agreement is terminated for whatever reason, the amount which has been paid which is more than the entitlement at the date of termination, including any FBT liability outstanding, shall be deducted from the Employee's termination of employment payment from the Employer in the calculation of all statutory leave entitlements by the Employer.  
(b) Where there is a statutory obligation on the Employee to pay entitlements to the Employer, the Employee undertakes to pay immediately the equivalent of such amounts to the Employer in reduction of any amount owing under this agreement.
8. In the event of the Employee's termination of employment with the Employer for any reason whatsoever, the calculation of all statutory leave entitlements such as long service and recreation leave shall be at the rate applicable to the Employee's substantive salary.
9. On completion of the package year any balance in the salary packaging account with RemServ will be rolled over to the next package year.

#### **SALARY PACKAGE COMPONENTS and REVIEW**

10. (a) The components of the Salary Package may be changed as near as practical, but prior to, the completion of the package year which shall end on at 31<sup>st</sup> March of each year, with the consent of the Employer.  
(b) However, under any of the following defined circumstances:
  - separation;
  - divorce;
  - ill health;
  - extended leave including parental leave;
  - substantial change to the Employee's salary amount,
  - change of employment location which may affect FBT status,the Employee shall have the right to initiate a review of the components of the Salary Package prior to the completion of the package year.
11. In the event of exceptional or unintended circumstances, the Employer may agree to prospectively vary the components of the Employee's Salary Package. Three changes per FBT year will be permitted without charge. An additional fee of \$50 may, at the discretion of RemServ, be charged for each time a change is made to the package. This fee will be payable by the Employee to RemServ.
12. (a) In the event that there are changes relating to



- (i) Fringe Benefits Tax (FBT) legislation;
- (ii) the introduction of any State equivalent to Fringe Benefits Tax legislation; or
- (iii) the way in which any Fringe Benefits Tax legislation is interpreted and applied;

this agreement will be renegotiated in accordance with the provisions of SOA 250.

(b) Until such time as this agreement is renegotiated following changes to the FBT status of the Employer, any FBT liability from this agreement will be the responsibility of the Employee and the Employee indemnifies the Employer in respect of any FBT liability borne by the Employer arising out of this agreement.

(c) The Employee is not and will not be entitled to any compensation for the loss of access to the FBT exemption cap whether permanently or temporarily, and whether fully or partially, howsoever caused. If the Employee relies on any financial benefit from the FBT exemption cap as part of their salary packaging arrangements they do so at their own risk.

### **FINANCIAL ADVICE**

- 13. The Employee acknowledges that it is a **strong recommendation** of the Employer that independent financial advice is sought prior to participation in salary packaging.
- 14. (a) The Employee acknowledges that this agreement and all publications relating to salary packaging have been prepared without consideration of the particular investment objectives, financial situation and needs of the Employee. The Employee acknowledges that they should not act on the basis of any matter contained in this agreement without considering and, if necessary, taking appropriate legal, financial or other professional advice based upon the Employee's own particular circumstances;
- (b) The Employee acknowledges that it is the responsibility of the Employee to obtain independent legal, financial and other advice to enable the Employee to assess the appropriateness of the salary packaging arrangements constituted under this Participation Agreement for the Employee; and
- (c) The Employee acknowledges that the Employee has entered into this Participation Agreement solely in reliance on the independent legal, financial and other advice obtained by the Employee and not in reliance on any information provided by the Employer.
- 15. The Employee acknowledges that the Employer bears no responsibility in respect of independent financial advice received. The Employee also acknowledges that no financial advice has been given by the Employer in connection with the decision to enter into salary packaging.

### **ADMINISTRATION**

- 16. The fees to be charged by RemServ for administering salary package payments made under this agreement are payable by the Employee to RemServ. The total fee amount includes government rebates.
- 17. The Employee must pay the fees for salary packaging in accordance with SOA 250.
- 18. The Employee acknowledges that if packaging a novated lease of a motor vehicle, a fuel card must be packaged either directly through the motor vehicle financier, or with RemServ.

## **CONFIDENTIALITY AND ACKNOWLEDGEMENT**

19. The terms of this agreement replace all previous agreements between the Employee and the Employer in relation to salary packaging and are to remain confidential between said parties. The terms and conditions agreed between the Employee and the Employer herein relate only to the Employee's salary packaging arrangements.
20. It is acknowledged and accepted by the Employee that the Employer and RemServ are not liable for taxation or any other liabilities, judgments, penalties or outcomes suffered or incurred by the Employee as a result of entering into this salary package arrangement and the Employee indemnifies the Employer and RemServ in respect of any such taxation, liability, judgment, penalty or outcome that the Employer and RemServ may suffer.
21. It is acknowledged and accepted by the Employee that all claims, damages, costs and expenses which may be paid, suffered or incurred by the Employer in respect of the Employee's salary packaging arrangements, will be made good at the Employee's expense and may be deducted from any salary payable by the Employer to the Employee or other monies due or becoming due to the Employee.
22. It is acknowledged and accepted by the Employee that:
  - (a) the Employer does not assume any liability as a result of facilitating a payment to a third party, and is not acting as an agent of the Employee; and
  - (b) it is not the Employer's responsibility to inform the Employee regarding the FBT impact of any fringe benefit provided, nor to predict and/or advise Employees of any emerging issues which may give rise to the existence of, or changes in the value of, fringe benefits that may or may not affect the Employee's salary packaging arrangements.
23. In accepting this offer of salary packaging –
  - (a) the Employee confirms that the benefit items selected for the package are legitimate expense items; and
  - (b) are to be paid from funds provided by the Employee under the salary package arrangement.
24. In the event of appointment, promotion, assignment, redeployment, transfer or other process to another Government Agency entity, the Employee –
  - (a) shall be subject to any salary packaging arrangements applying to the new Government Agency; and
  - (b) undertakes to take all necessary steps to comply with those arrangements;
  - (c) must immediately notify RemServ.
25. In the event of cessation of employment with a Government Agency that participates in SOA 250, the Employee will immediately notify RemServ.

## **PARTICIPATION OBLIGATION AND CESSATION**

26. The Employee is under no obligation to participate in salary packaging, and entered into this agreement of his/her own free will. Where the Employee elects to sacrifice a portion of salary to the agreed benefits, the Employee must submit a signed unamended Participation Agreement to the Employer prior to commencing such arrangements.  
The Employee may submit the Participation Agreement to the Employer by any of the following methods:

(a) By posting the **original** forms to RemServ, 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 at [remserv@remserv.com.au](mailto:remserv@remserv.com.au);

**OR**

(c) By faxing the forms to RemServ on 1300 30 18 66.

27. The Employee may elect at any time to cease salary packaging by giving at least twenty-one (21) days notice in writing to RemServ. If cessation occurs within a 12 month period from the Employee's anniversary date, the administration fee payable by the Employee shall be, where the date of cessation is:
- (a) 8 months or less of package year - 75% of annual fee amount; or
  - (b) 9-12 months of package year - 100% of annual fee amount.
28. Any pre-tax funds available on termination or cessation of participation in the Salary Package cannot be taken by the Employee as a cash payment. Funds must be utilized for benefit payments or be returned to payroll as soon as practicable by RemServ to be paid as salary and taxed accordingly.
29. (a) The Employee may recommence salary packaging only with the agreement of the Employer;  
(b) A fee of \$50 may, at the discretion of RemServ apply to the recommencement of salary packaging. This fee will be payable to RemServ by the Employee.
30. The Employer at any time may withdraw agreement for an Employee to continue participation in salary packaging arrangements.
31. The Employer may terminate –
- (a) a novated lease; and
  - (b) that part of this agreement which relates to a novated lease, where the Employee –
    - (i) ceases employment; or
    - (ii) is not entitled to salary; or
    - (iii) ceases participation in salary packaging arrangements.
32. (a) At the request of the Employer, this agreement may be varied prior to the anniversary of the commencement date.  
(b) Should the parties not agree to a reasonable request by the Employer, this agreement shall terminate on the next anniversary date or three months after the request, whichever is the sooner.

### **INTERPRETATION**

33. In this Agreement, unless the context otherwise indicates –

**“ATO”** means the Australian Taxation Office.

**“Benefit Items”** means payments made by the Employer on behalf of the Employee for benefits in lieu of salary.

**“Certified agreement”** means an agreement made in accordance with Chapter 6 of the *Industrial Relations Act 1999*.

**“DEIR”** means the Department of Employment and Industrial Relations.

**“Employer”** means the State of Queensland, through relevant Queensland government departments or agencies.

**“FBT”** means Fringe Benefits Tax.

**“FBT exemption cap”** means a capped FBT exemption which allows for concessional FBT treatment under the respective provisions of the *Fringe Benefits Tax Assessment Act 1986* and includes those FBT exemption caps for public hospitals (currently \$17,000 grossed-up), ambulance services (currently \$17,000 grossed-up), and Legal Aid Queensland (currently \$30,000 grossed-up).

**“GUTV”** means grossed up taxable value.

**“Non-salary sacrifice fringe benefits”** means any fringe benefit that the Employer provides or result from means other than via the salary packaging arrangements administered by RemServ. Non-salary sacrifice fringe benefits may include, but are not limited to, home garaging of a pool car, private use of a work car, housing assistance, remote area holiday travel, living away from home allowances and salary overpayment loan fringe benefits.

**“QGCPO”** means that part of the Department of Public Works known as Queensland Government Chief Procurement Office (previously called Queensland Purchasing).

**“RemServ”** means Remuneration Services (Qld) Pty Ltd, ABN 4609 317 3089 at Level 13, 60 Edward Street, Brisbane.

**“Required information”** has the meaning defined in clause 5(k).

**“Salary Packaging”** means the arrangement which allows salary to be taken as benefits before tax.

**“Salary sacrifice fringe benefits”** means those fringe benefits that are provided via the salary packaging arrangements administered by RemServ.

**“Salary sacrifice trust account”** means the trust account held by RemServ for the purpose of salary packaging for the Employee.

**“SOA 250”** means Standing Offer Arrangement 250 let by QGCPO to RemServ.

**“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*.

**“Taxation legislation”** means the Income Tax Assessment Act 1936, the Income Tax Assessment Act 1997, the Taxation Administration Act 1953, the Fringe Benefits Tax Assessment Act 1986 and the A New Tax System (Goods and Services) Act 1998. References to any statute include that statute as amended or substituted from time to time and any regulations made pursuant to that statute.

## **EMPLOYEE**

**I have read and understood and accept the offer of salary packaging on the terms and conditions herein.**

Name .....  
(please print)

Signed..... Date:.....

## **AUTHORISED QUEENSLAND GOVERNMENT OFFICER**

(RemServ will arrange for this signature.)

Name .....  
(please print)

Signed..... Date:.....

**Privacy Policy**

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 39 40 or from our website [www.remserv.com.au](http://www.remserv.com.au).

**Important information**

This document has been prepared without consideration of the particular investment objectives, financial situation and personal needs of individual employees.

RemServ provides administration and referral services on behalf of employers. It does not provide any form of financial, taxation, or financial product advice to employees on the relative merits of package programs or on any other basis.

RemServ may receive commissions or rebates in connection with some services it provides or arranges to be provided by third parties. By appointing RemServ and utilising its services, you consent to the receipt of such commissions and rebates by RemServ and consent that RemServ is not required to make specific disclosure to you of the amount of such receipts or the manner in which those receipts are calculated.