

5.27	<b>SALARY PACKAGING</b>
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<b>Applies to:</b> All Staff
<b>Specific responsibility:</b> HECIS Co-Ordinator, HECIS President

<b>Version:</b> 1
<b>Date approved:</b> 24.5.2016
<b>Next review date:</b> Aug 21

<b>Policy context:</b> This policy relates to	
Standards or other external requirements	
Legislation or other requirements	
Contractual obligations	

## POLICY STATEMENT

The **HECIS Co-Ordinator** is delegated to be the supervisor of all staff for this policy (excluding the HECIS CoOrdinator) and has authority to approve the staff salary packages.

The **HECIS President** is delegated to be the supervisor of the HECIS CoOrdinator for this policy and has the authority to approve the HECIS CoOrdinator's salary package..

HECIS is a partially government funded service with a limited budget. To compete in an employment market against larger Not-For-Profit and other corporate disability organisations with more favourable salary packages, a policy of salary packaging is available for all permanent fulltime and part-time staff.

The purpose of this policy is to ensure that:

- All supervisors and staff have an understanding of the procedures for salary packaging
- All staff are treated consistently
- Salary Packaging for staff does not expose the service to financial burdens unable to be met by the annual budget.
- Salary Packaging does not place unmanageable clerical burdens on the service to administer and process.

HECIS is a Public Benevolent Institution (PBI) and is subject to legislative requirements and can take advantage of Fringe Benefits Tax (FBT) concessions. HECIS is presently exempt from FBT up to an amount, as defined by the Australian Taxation Office, which is passed on to its employees in the form of salary packaging.

HECIS offers salary packaging to all full and part time employees. HECIS will restrict the salary packing available to mortgage repayments, loan repayments, school fees and non-commercial rents etc. that are within the Type 2 Fringe Benefits (as defined by the Australian Taxation Office where the benefit provider is not entitled to claim GST credits). HECIS will not salary package car benefits, meals and accommodation, entertainment type benefits.

HECIS will seek advice from the HECIS appointed auditor and accounting firm prior to approving a staff member's salary package, to ensure it meets the legislative FBT requirements for PBI concessions to be available to HECIS.

If an employee misapplies the salary packaging arrangements, HECIS retains the right to remove the arrangement from the employee.

An employee should obtain their own independent financial advice before entering into a salary packaging arrangement with HECIS.

## HECIS: Salary Packaging

Should the advantageous FBT concessions available to HECIS change, salary packaging will be changed in accordance with legislative requirements.

### PROCEDURES

- **Staff:**
  - to request a portion of their annual salary be packaged for the purpose allowed under this policy (up to the yearly FBT concession threshold allowed under the legislation)
  - to seek independent financial advice before entering into a salary packaging arrangement with HECIS.
  
- **Office Manager:**
  - to seek advice from the appointed auditor/accounting firm to ensure the proposed salary package meets the legislative FBT requirements for PBI concessions to be available to HECIS.
  - prepare a letter of employment contract which includes details of the salary package being offered to the staff member and obtain supervisor's approval
  - upon receipt of completed employee contract, manage personnel file and process salary payments
  
- **HECIS CoOrdinator/HECIS President**
  - Approve salary package and obtains staff member's acceptance of contract
  - Return to Office Manager for management of personnel files and processing of salary payments

### DOCUMENTATION

Documents related to this policy	
Related policies	
Forms, record keeping or other organisational documents	

Reviewing and approving this policy		
Frequency	Person responsible	Approval
Annually	HECIS Co-Ordinator	Management Committee

Policy review and version tracking			
Review	Date Approved	Signed	Next Review Due
1	14.8.17	HECIS Co-Ordinator	Aug 2018
2	3.9.18	HECIS Co-Ordinator	Aug 2019
3	20.8.19	HECIS CoOrdinator	Aug 2020
4	15.9.20	HECIS CoOrdinator	Aug 2021