



Procedure: Salary sacrificing

Purpose

To provide advice to eligible staff on the University's salary sacrificing arrangements.

Procedure

What is salary sacrificing?

1. Salary sacrificing is provided for under the [ANU Enterprise Agreement](#).
2. Salary Sacrificing (or packaging) means salary packaging/deductions for benefits from a staff member's pre-tax salary.
3. Salary sacrificing is optional and voluntary. It is a process that allows an employee to swap salary for employer provided benefits. These benefits are either tax-free or concessional tax.
4. Staff members may salary sacrifice up to 100% of gross salary for certain approved items. A staff member may elect in writing to the University to have his or her gross salary reduced by the total value of approved items.
5. Staff wishing to salary package any item should read and consider the general conditions (below) and the specific conditions for the item being packaged before doing so (see table below).
6. A staff member may terminate or change his or her salary sacrificing arrangements as determined by the University. If legislative or other changes result in increased cost to the University arising from the arrangements provided under this clause, the University may discontinue these arrangements, unless the staff member agrees to pay the additional costs.

In-house (ANU) options

7. The University administers limited salary sacrifice options including: on-campus childcare; UniSuper; on-campus parking; laptop computers/electronic diaries/personal digital assistants (PDAs); and airline lounge membership. In house benefits are limited to those items that do not

attract a Fringe Benefits Tax.

8. Staff members wishing to salary sacrifice through ANU should complete an appropriate payment authority form. Completed applications should be forwarded to the Remuneration and Conditions Branch, Human Resources Division, Chancelry 10A. Deductions will commence from the next available pay period from receipt of the application as determined by work commitments within the Remuneration and Conditions Branch. To ensure a specific start date, applications must be received one month in advance.
9. Staff members are responsible for all relevant documentation (i.e. completed authority forms and banking details) being received in the Remuneration and Conditions Branch. Check each institution for details.

Additional salary packaging options through SmartSalary and nlc

10. Additional salary sacrificing options (eg private superannuation, motor vehicle novated lease/e-bike arrangements, and relocation expenses) are available through the University's salary sacrificing provider (currently SmartSalary). Further details on eligibility, providers, and how to progress a salary packaging arrangement are available on the HR Division salaries and benefits page.

General conditions

11. It is important that staff members seek financial advice (at their own expense) from an independent financial adviser, tax consultant or accountant before considering any salary sacrificing options and entering into any salary sacrificing arrangement. In particular, the effect salary sacrificing may have on Child Care Benefits eligibility needs careful consideration.
12. Salary sacrificing is available to all continuing staff members and may be available to fixed term staff members on a case-by-case basis. This arrangement is not available to casual staff members, academic visitors or students.
13. Notwithstanding the salary rates for various classifications, a staff member will be able to enter into salary sacrificing arrangements which may result in his or her net pay being reduced.
14. The pre-sacrificed salary rates shall be used as the basis for calculating the following:
 - termination payments, including superannuation, annual leave and long service leave;

- redundancy or early retirement benefits;
 - overtime and shift payments;
 - loadings, allowances and deductions, which are calculated as a percentage of salary.
15. In accordance with the Australian Tax Office rules, salary sacrificing arrangements must operate prospectively. No earnings may be sacrificed retrospectively. That is, there must be an arrangement to salary sacrifice before becoming entitled to be paid. Normally, the salary sacrificing arrangement would be entered into before the work is performed. To salary sacrifice future lump sum payments staff need to sign an authority to do so before being entitled to the money. See [Authority to Pay a Lump Sum to Super before tax](#) to register your intention to salary sacrifice future lump sum payments.
 16. Fixed dollar amounts only will be considered for salary sacrificing, with the exception of payments to UniSuper. Therefore, all applications for salary sacrificing should be expressed in fixed dollar amounts.
 17. All options are conditional upon the institution to which the pre-tax amount is paid accepting electronic transfer of funds.
 18. Individual staff members are responsible for any administrative costs and charges (i.e. tax and administration), which may be levied by the institution to which a pre-tax amount is paid.
 19. Salary sacrificing arrangements shall be maintained during periods of paid leave, therefore the staff member shall retain the reduced salary.
 20. Salary sacrificing arrangements may continue during periods of leave at reduced pay subject to sufficient funds being available. If not, then the staff member would have to suspend or reduce the salary sacrificing arrangement in order to take leave at reduced pay.
 21. Salary sacrificing arrangements will be suspended during periods of leave without pay.
 22. The University will be entitled to recover from the staff member any payment of salary and benefits paid in advance to which the staff member is not entitled.
 23. The University notes that the law and circumstances may change, and accepts no responsibility for any loss or disadvantage suffered by the staff member as a result of any salary sacrificing arrangement.

24. If legislative or other changes result in increased cost to the University arising from any salary sacrificing arrangements, the University may elect to discontinue the arrangements unless the staff members agree to pay the additional cost, in which case the University may continue the option.
25. Once salary sacrificing has commenced, the amount deducted from pre-tax salary will be shown as a pre-tax deduction on the staff member's pay advice.
26. As salary sacrificing arrangements reduce the taxable income for the staff member, the gross salary shown on the payment summary will reflect the lower taxable salary.

Fees for salary sacrifice

27. The University shall charge a fee to cover administrative costs for each salary sacrifice transaction, currently 50 cents per item per fortnight. Transactions attracting the administrative fee are:
- pre-tax deductions to the UniSuper accounts
 - pre-tax deductions to on-campus child care centres
 - pre-tax deductions to ANU Parking Administration
 - pre-tax deductions to ANU Finance and Business Services (e.g. for laptop computers/PDAs)
28. The fees are payable each fortnight and may increase over time consistent with ANU salary increases, tax increases (e.g. GST) or other economic adjustments as may be applied from time to time.

What can be salary packaged?

Benefit	Benefit administered by	Further info	Application form
Airline lounge memberships	ANU	Salary packaging airline lounge memberships	Airline Lounge Application form
Briefcase electronic diary	SmartSalary and nlc Note: ANU offers a low fee service for	SmartSalary and nlc (refer to Salary	SmartSalary and nlc (refer to provider)

and calculator	packaging Electronic Diaries/Personal Digital Assistants (PDAs)	Packaging Guide)	
Cars – novated motor vehicle lease	SmartSalary and nlc	SmartSalary and nlc (refer to Salary Packaging Guide)	SmartSalary and nlc (refer to provider)
E-bikes	SmartSalary	SmartSalary (refer to Salary Packaging Guide)	SmartSalary (refer to provider)
Childcare – fees for the provision of on campus childcare for the dependent children of staff	ANU	Parenting rooms and childcare	Childcare Application Form (Please Note: Employees that salary package childcare fees are not eligible for Childcare benefit/tax rebate.)
Computer software	SmartSalary and nlc Note: ANU offers a low fee service for packaging work related software that is packaged in conjunction with a laptop	SmartSalary and nlc (refer to Salary Packaging Guide)	SmartSalary and nlc (refer to provider)
Income protection insurance	SmartSalary and nlc	SmartSalary and nlc	SmartSalary and nlc (refer to provider)

		(refer to Salary Packaging Guide)	
Laptops and personal digital assistants (PDA's)	ANU	Laptop/PDA Information Sheet	Salary packaging - Laptop Benefit Declaration Salary packaging a Laptop or PDA application form
Membership fees and subscriptions	SmartSalary and nlc	SmartSalary and nlc (refer to Salary Packaging Guide)	SmartSalary and nlc (refer to provider)
Newspapers and periodicals	SmartSalary and nlc	SmartSalary and nlc (refer to Salary Packaging Guide)	SmartSalary and nlc (refer to provider)
Parking - on campus parking fees	ANU	Parking Information Sheet On-Campus Parking Options	Pre-tax parking fees can be applied for as part of your parking application
Salary packaging advice	SmartSalary and nlc	SmartSalary and nlc (refer to Salary Packaging Guide)	SmartSalary and nlc (refer to provider)

Self education expenses	SmartSalary and nlc	SmartSalary and nlc (refer to Salary Packaging Guide)	SmartSalary and nlc (refer to provider)
Superannuation – Unisuper	ANU	Unisuper information sheet	<p>Mandatory contributions: ANU Form – salary packaging (pre-tax) of mandatory Unisuper contributions</p> <p>Voluntary Contributions: ANU Form – Request for Payment of Voluntary (extra) Contributions</p> <p>AND Unisuper Form – regular voluntary contribution form</p> <p>Lump sums (bonus/incentive payments): Authority to pay a lump sum to superannuation before tax</p>
Superannuation – other than Unisuper	SmartSalary and nlc	SmartSalary and nlc (refer to Salary Packaging)	SmartSalary and nlc (refer to provider)

		Guide)	
Work related equipment (tools of trade)	SmartSalary and nlc	SmartSalary and nlc (refer to Salary Packaging Guide)	SmartSalary and nlc (refer to provider)

29. Where an employee is required to relocate to take up a position with the University, the following costs connected with the relocation may be salary packaged, where the costs have not be borne by the University, and where the benefits are exempt benefits under the Fringe Benefits Tax Assessment Act 1986 ('FBT Act')::

Benefit	Benefit administered by	Further info	Application form
<p>Removal and/or storage of household effects.</p> <p>The term "household effects" refers to tangible property kept primarily for the use of the employee and/or the employee's family members. This includes family pets and cars.</p> <p>Documentary evidence of all expenditure must be provided by the employee.</p>	SmartSalary and nlc	SmartSalary and nlc (refer to Salary Packaging Guide)	SmartSalary and nlc (refer to provider)

<p><u>Engagement of relocation consultant</u></p> <p>The relocation consultant must be engaged to assist the employee and/or the employee's family members settle at the new location.</p> <p>Documentary evidence of all expenditure must be provided by the employee.</p>	<p>SmartSalary and nlc</p>	<p><u>SmartSalary and nlc</u></p> <p>(refer to Salary Packaging Guide)</p>	<p><u>SmartSalary and nlc</u></p> <p>(refer to provider)</p>
<p><u>Sale or acquisition of dwelling</u></p> <p>Where an employee's existing place of residence is sold within two years of relocating to commence employment with the University, costs incidental to the sale may be salary packaged. This will generally be limited to marketing costs and real estate agent</p>	<p>SmartSalary and nlc</p>	<p><u>SmartSalary and nlc</u></p> <p>(refer to Salary Packaging Guide)</p>	<p><u>SmartSalary and nlc</u></p> <p>(refer to provider)</p>

<p>commission.</p> <p>Where an employee acquires a new place of residence within two years of relocating to take up employment with the University, costs incidental to the acquisition may be salary packaged. This will generally be limited to stamp duty and connection of a telephone service.</p> <p>Documentary evidence of all expenditure must be provided by the employee.</p>			
<p><u>Reconnection of gas and/or electricity</u></p> <p>Must be reconnected within 12 months of employee relocating to commence employment with the University.</p>	<p>SmartSalary and nlc</p>	<p><u>SmartSalary</u> and <u>nlc</u> (refer to Salary Packaging Guide)</p>	<p><u>SmartSalary</u> and <u>nlc</u> (refer to provider)</p>

Documentary evidence of all expenditure must be provided by the employee.			
<p><u>Transport</u></p> <p>This is transport of the employee and family members to take up residence as part of relocating to commence employment with the University. Also included is the cost of passports and visas required as part of the relocation.</p>	SmartSalary and nlc	<p><u>SmartSalary</u> and <u>nlc</u></p> <p>(refer to Salary Packaging Guide)</p>	<p><u>SmartSalary</u> and <u>nlc</u></p> <p>(refer to provider)</p>

30. Individual staff members are responsible for ensuring all conditions with respect to salary sacrificed relocation benefits are satisfied. The individual staff member is liable for any fringe benefits tax payable where these conditions are not satisfied under any salary sacrifice arrangement with the University.

Further Information

29. Please contact your [HR Team](#) if you require any further information.

Document information

Title	Salary sacrificing
Document Type	Procedure
Document Number	ANUP_000525
Version	16
Purpose	To provide advice to eligible staff on the University's salary sacrificing arrangements.
Audience	Staff
Category	Administrative
Topic	Staff
Subtopic	Remuneration & Benefits
Effective Date	20 Mar 2019
Review Date	31 Dec 2020
Responsible Officer	Director, Human Resources (director.hr@anu.edu.au)
Approved By	Chief Operating Officer (chris.grange@anu.edu.au)
Contact Area	Human Resources Division (director.hr@anu.edu.au)
Authority	ANU Enterprise Agreement 2017 – 2021 Income Tax Assessment Act 1997 Fringe Benefits Tax Assessment Act 1986
Printed On	22 May 2019

Please ensure you have the latest version of this document from the Policy Library website before referencing this.