

Policy Title: Salary Packaging

Descriptors: 1) Remuneration 2) Reward 3) Benefit 4) Salary 5) Packaging

Category: Human Resources

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1. Intent

To provide employees with tax effective methods of purchasing goods and services through a salary sacrifice arrangement, thereby allowing staff to maximise their remuneration.

2. Organisational Scope

All Edith Cowan University staff.

3. Definitions

Continuous Service	Service with the University where breaks in service are of no longer than ten (10) consecutive days.
FBT	Fringe Benefits Tax.
Lease Provider	A third party organisation which provides a salary packaging product through a lease arrangement.
Novated Lease	An agreement entered into between the employee, the University and the Lease Provider under which the employee's obligation to pay the lease rentals under the lease is transferred to the University for the term of the novated lease. Novated leases are not eligible for the sales tax exemption.
Salary	Any salary which is subject to Pay As You Go (PAYG) tax.
Salary Packaging	A salary arrangement in which an employee foregoes an expected entitlement to an amount of salary and wages, before that entitlement has been earned, in return for benefits of a similar value.
Salary Packaging Administration Fee	A fee applied to salary packaging costs/benefits to cover administration.
Staff	Employees of Edith Cowan University.

University	Edith Cowan University
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4. Policy Content

4.1 Eligibility for entering into a Salary Packaging Arrangement

- 4.1.1 Subject to this policy, the terms and conditions of the Salary Packaging Provider and the Guidelines relating to the relevant salary packaging product, a staff member may enter into a salary packaging arrangement at any time.
- 4.1.2 The University is unable to provide financial advice to employees on the benefits or otherwise entering into a salary packaging arrangement. Employees considering entering into a salary packaging arrangement should therefore obtain their own independent financial advice prior to entering into any such arrangement.
- 4.1.3 The University, in seeking to provide a benefit to employees, recognises that the law and circumstance relating to salary packaging may change and therefore accepts no responsibility for any loss or disadvantage suffered by a staff member as a result of any salary packaging arrangement.
- 4.1.4 Staff with a fixed-term contract may continue to participate in salary packaging upon subsequent reappointment and where the duration of the fixed-term appointment facilitates full participation in the desired salary packaging arrangement.
- 4.1.5 To enter into a motor vehicle lease salary packaging arrangement employees must have an employment contract of two years or more.
- 4.1.6 Staff employed on more than one part-time appointment with the University will have those appointments treated as one for the purpose of salary packaging.
- 4.1.7 Staff on secondment to other institutions may be eligible to participate in salary packaging provided their salary continues to be paid through the University payroll.
- 4.1.8 Superannuable allowances may be included in the amount available to be salary packaged.
- 4.1.9 Overtime earnings, sessional or casual earnings, and leave loading payments are not eligible to be included in the amount available to be salary packaged.
- 4.1.10 Casual or Sessional Staff may only elect to salary sacrifice 100% of their earnings into UniSuper as long as the Salary Sacrifice Agreement is completed, signed and in place prior to the commencement of the work.

4.2 Employee Responsibilities

- 4.2.1 Employees participating in salary packaging shall be responsible for meeting the costs of their participation, including:
- Fringe Benefits Tax (FBT) assessed on any part of the package; and/or
 - Receiving independent financial advice; and/or
 - Salary packaging administration fees.
- 4.2.2 Employees participating in salary packaging arrangements may not proceed on leave without pay, without prior approval from the Director, HR Services Centre. Upon approval being received, the University will instruct the Salary Packaging Provider to deduct payments for the period of leave without pay.

4.3 Termination of a Salary Packaging Arrangement

- 4.3.1 Subject to this policy, the terms and conditions of the relevant Salary Packaging Provider and the Guidelines relating to the relevant salary packaging product, a staff member may withdraw from a salary packaging arrangement at any time.
- 4.3.2 Where a salary packaging arrangement is terminated or the staff member's employment terminates, the University shall be entitled to recover any payment of salary and benefits granted in advance. To effect such a recovery, the University may make deductions from the employee's salary for monies that would be payable upon the staff member's termination.
- 4.3.3 If legislative or other changes result in increased cost to the University arising from any salary packaging arrangement, the University may elect to discontinue the arrangements unless the staff member agrees to pay any additional costs.

5. References

Policy Code:	HR121	File No:
Policy Owner:	Director, Human Resources Service Centre	
Approved by:	Vice-Chancellor	
Date Approved:	2002-11-27	
Revision Date:	July 2013	
Amendments:	27/07/2001 30/11/2005 (HEWRRs Compliance) 24/07/2007 03/03/2011 (Reviewed Minor Changes – Approved by Director Human Resources)	
Related Policies/Documents:	Guidelines - Salary Packaging - ECU Sports Guidelines - Salary Packaging - ECU Bookshop Guidelines - Salary Packaging - University Parking Guidelines – SmartSalary website	

6. Contact Information

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