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<b>Approved by GM on</b>	8 December 2023	
<b>Date of Review</b>	8 December 2027	

## 1. Background

Salary packaging is an employee benefit that allows an employee to pay for certain everyday expenses with money from their salary before tax is taken out (pre-tax deduction) thereby reducing the employee's taxable income.

Salary sacrifice arrangements must be for future earnings, therefore an agreement must be entered into prior to commencing deductions.

Before entering into an agreement, an employee should read this procedure which sets out the terms and conditions of the salary packaging arrangements.

The following salary packaging benefit items are offered to employees:

- Superannuation (only via Council's process, this does not apply to salary packaging providers)
- Laptop or mobile phone (primarily for business purposes)\*
- Motor vehicles via a novated lease
- Professional development expenses
- Professional development travel expenses
- Professional memberships and/or subscriptions, like union fees
- Work-related expenses such as briefcases, PDAs and calculators
- Work-related home office expenses
- Financial advice fees
- Work-related self-education
- Airport lounge membership
- Computer software
- Income protection insurance
- Work uniforms (non-compulsory only)

\*Devices must be primarily for work purposes and require a supervisor to confirm that this is the case. Noting that if a false declaration is made the employee must be aware that the ATO may charge Council with the Fringe Benefits Tax (FBT) if FBT is applicable. The employee will be required to reimburse Council for any FBT incurred as these arrangements should be cost neutral to Council.

Council's does not offer taxation or financial advice. It is the responsibility of the employee to seek independent financial and taxation advice. The cost of any associated fee is to be met by the employee. Council accepts no liability should the employee fail to seek financial advice or for the financial and taxation advice received by the employee.

## **2. Purpose**

This procedure provides guidance for employees who intend to enter into a salary packaging agreement.

## **3. Regulatory Authority**

N/A

## **4. Human Rights Commitment**

Council has considered the human rights protected under the *Human Rights Act 2019 (Qld)* (the Act) when approving and/or amending this procedure. When applying this procedure, Council will act and make decisions in a way that is compatible with human rights and give proper consideration to a human right relevant to the decision in accordance with the Act.

## **5. Roles and Responsibilities**

- Payroll – Action the payroll deductions.
- People and Culture Branch – provide additional assistance and refer employees to appropriate resources to complete their claim forms.

## **6. Key Stakeholders**

The following will be consulted during the review process:

- People and Culture Branch
- General Manager (Corporate Services)
- Principal Accountant (Taxation)

## **7. Education and Training Requirements**

Employees are encouraged to seek financial and taxation advice before entering into a salary packaging agreement.

## **8. Procedure**

### **8.1 Salary Sacrifice items (excluding superannuation)**

Employees are required to engage directly with a Salary Sacrificing Provider to discuss the items that are available to salary sacrifice in the list identified at 1. Background with the exception of superannuation.

Employees should visit the [Salary Packaging page on the WIRE to obtain the details of the providers.](#)

### **8.2 Superannuation**

Superannuation salary sacrificing may only be undertaken directly with Council. To salary sacrifice superannuation, an employee must complete the [Superannuation Remuneration Agreement Form](#) and forward it to payroll@ipswich.qld.gov.au.

## 9. Monitoring and review

The People Services Manager in consultation with the Manager, People and Culture is responsible for the implementation and review of this procedure.

## 10. Related documents

[Salary Packaging – WIRE Information Page](#)

[Ipswich City Council Officers Certified Agreement](#)

[Ipswich City Council Local Government Employees Certified Agreement](#)

[Ipswich City Council Resource Recovery Drivers Certified Agreement](#)

[Superannuation Remuneration Agreement](#)

## 11. Definitions

N/A

## 12. Process Model

[Promapp Link](#)

## 13. Procedure Owner

The General Manager (Corporate Services) is the procedure owner and the Manager, People and Culture is responsible for authorising and reviewing this procedure.

