



**Payment of Roster Relief Allowance**

To arrange payment of this allowance, the employee must complete an Allowance Payments claim form (available on the intranet and ADM02 Human Resources Policy Manual) and forward it to their respective Discipline or General Manager for authorisation. The completed and authorised form should then be forwarded to the Payroll Administrator for processing.

The first payment (of up to one week) will be deposited into the employee's bank account prior to the commencement of their roster relief, subject to the timely receipt of this documentation. Future payments will be aligned to the next pay period and deposited accordingly.

**8.3 Salary Packaging**

Policy Reference #	8.4 Salary Packaging
Policy Statement	Eligible employees are entitled to salary sacrifice part of their monetary gross salary in exchange for some other form of benefit. This policy shall be the basis for any EA and other Individual Agreement arrangements regarding such benefits to employees.
Policy Purpose	To provide benefits which allow eligible employees to make payments in a more tax-effective manner than if they would have made the purchase using their after tax income.
Related Policies	Section 8.3: Superannuation
Related Forms & Support Materials	Salary Packaging Amendment Form
Last Date Reviewed	January 2009

Salary packaging is offered to eligible employees within the following parameters:

- Offered in line with the Fringe Benefit Tax (FBT) year - 1<sup>st</sup> April to 31<sup>st</sup> March.
- Salary packaging and the entitlement plus employees' participation and allocation is reviewed annually, ending 31<sup>st</sup> March each year, based on the grossed up amount and value of current entitlements, e.g. motor vehicles, fuel, phone benefits, remote area housing allowance, salary sacrifice. Changes arising from this review will be effective 1<sup>st</sup> April each year, unless required immediately.
- The RFDS will not be liable for any FBT, taking into consideration all benefits paid to employees. Any FBT will be payable in full by the employee and will be reconciled and paid by the employee to the RFDS by 31<sup>st</sup> May of the relevant year, e.g. FBT year ending 31<sup>st</sup> March 2005 will be payable in full by 31<sup>st</sup> May 2005. Any underspend will not carry forward to the following year, and will be directed towards the employee's cash salary and PAYG tax will be payable by the employee.
- Any changes to Tax Legislation and Regulatory requirements will be reflected with an immediate change or removal of the Salary Packaging options offered. In effect, this means the salary sacrifice amount would be returned to the cash component of the employee's salary.
- Eligible employees may elect to access salary packaging on commencement of employment with the RFDS
- Pro-rata entitlements are based on the number of pay periods remaining in the current FBT year (i.e. to 31<sup>st</sup> March)
- Salary packaging is managed by an external provider, nominated by the RFDS. The fees charged by the salary packaging provider are the responsibility of the employee and not the employer.

Eligibility and the amounts that may be packaged is dependant on tax regulations and are sectionally specific. Refer to sectional specific policy.

The amounts offered are fixed at 1st April each year, irrespective of subsequent salary increments. There are no retrospective adjustments available during the FBT year. Any adjustments to salary benefits that give rise to a fringe benefit will require salary packaging arrangements to be amended immediately.



## Royal Flying Doctor Service

The following salary packaging benefits are the only items that can be packaged and dependant on availability in section:

- Mortgage repayments
- Private home rental payments - where the rental relates to the residence of the employee
- Personal loan repayments
- School fees, including HELP
- Health, life or disability insurance
- Private travel
- Notebook / laptop computer - FBT exempt item
- Utilities - water, power, rates & taxes, registrations
- Credit card accounts - excluding cash advances
- Meal entertainment card
- Superannuation - non-reportable fringe benefit (i.e. does not attract FBT but a contribution tax of 15% is paid on contributions to super funds and is paid by the fund from the superannuation account)

Employees must select the salary package benefits in respect of their salary packaging arrangements using the Salary Packaging Amendment Form before the first pay following 1st April each year. Once allocations have been submitted and approved, they cannot be altered until the start of the following packaging year.

Employees must substantiate relevant expenses and benefits incurred with the salary packaging service provider, and cannot pre-spend their benefits before earned. The benefits cannot go directly to the employee, nor can they be converted into cash by or for the employee.

Employees are defined as permanent full-time or part-time and contract employees whose term of employment is one year or greater. Salary packaging is available on commencement of employment with the RFDS. No claim can be made for retrospective salary adjustments. Salary sacrifice can only be deducted from future earnings and will be made per fortnight or per month depending on the section, at the rate deemed to be equivalent of a full year effective from the first pay period in which the employee is entitled to participate.

Reportable fringe benefits will be reported on the employee's payment summary (group certificate) in accordance with legislation. The amount reported is used in the calculation of HELP, child support, Medicare levy surcharge, superannuation guarantee surcharge and some other government allowances. Independent financial advice should be sought to determine the financial effect on the employee's individual circumstances. It is the responsibility of the employee to understand their salary packaging arrangements, to assess this financial effect and make an informed decision.

Salary package benefits will commence on the first pay run following the employee's advice and approval. The benefits will be calculated on a pro-rata basis for the FBT year based on the value being packaged. Employees can maximise full year benefits even if they commence part way through the year.

<b>CENTRAL OPERATIONS - SALARY PACKAGING AMOUNTS</b>	
Maximum amount - per employee per FBT year (reviewed annually)	\$15,899 pa reduced by allowances and/or benefits that are reportable fringe benefits such as, but not limited to, motor vehicle, phone, fuel, remote area housing.
OR	
Minimum amount - per employee per FBT year (reviewed annually) This is the only option available for employees with company provided motor vehicles.	\$10,934 pa. Reduced by allowances and/or benefits that are reportable fringe benefits such as, but not limited to, motor vehicle, phone, fuel, remote area housing.
Any "contributory superannuation" payments currently salary sacrificed i.e. current 5% salary sacrifice.	Are excluded from the \$15,899 pa OR \$10,934 pa