

# Salary packaging

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Salary packaging (or salary sacrifice) is a voluntary agreement between you and the agency. It allows you to pay for some items before tax and can reduce the amount of tax you pay. Salary packaging doesn't benefit everyone, you should seek professional financial advice to find how salary packaging will affect you.

## Ongoing and non-ongoing staff

All ongoing and non-ongoing staff can salary package. Probationers and non-ongoing employees will become fully responsible for the ongoing financial liability should your employment cease or contract end.

## Casual and contractor staff

Casual and contractor staff can't salary package with the agency, but may be able to externally.

### ✓ Who is the salary packaging provider?

[Smartsalary](#) is our salary packaging administrator. If you're new to packaging they can help answer your questions. They also run workplace information sessions for staff. Contact Smartsalary to find out when a session is on near you.

- Phone: **1300 476 278** (8:30 am – 7 pm AEST Monday to Friday)
- Email: [customersupport@smartsalary.com.au](mailto:customersupport@smartsalary.com.au)

You can choose SmartSalary as your packaging provider, but you don't have to. However, the provider you use has to follow our salary packaging rules and the administration will still go through SmartSalary.

SmartSalary or your provider can:

- tell you how salary packaging will change your pay
- tell you how much the deductions will be
- make payments to do with your package
- refund package-related expenses you pay directly
- tell you how much Fringe Benefits Tax (FBT) you may pay

- manage your package at the end of the FBT year
- keep records for tax purposes
- work with the agency to make sure your records are correct.

Read the [Salary Packaging Procedure Statement](#) [PDF] if you want to salary package.

## ✓ What can I salary package?

There is a range of items you can salary package. However, you cannot package mortgage payments or school fees.

### Novated car leasing

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### Additional superannuation

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### Eligible future leave

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### Income protection insurance

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## Financial advice for salary packaging

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## Professional memberships and subscriptions

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## Airline lounge membership

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## Other deductible expenses

You can package the cost of some other work-related expenses, such as a diary, mobile phone and education.

- [Otherwise deductible expenses - fact sheet](#) [PDF]
- [Otherwise deductible expenses - check list](#) [PDF]

## ✓ What is it going to cost me?

The cost of salary packaging varies. It depends on the package and your circumstances. To get advice about costs, use the [Smartsalary website](#) or talk to another provider.

Fees are usually deducted on a pro-rata basis each pay. The agency takes the cost amount from your pay and sends it to SmartSalary for distribution. Smartsalary or

your provider then pays the costs of your package, such as super payments or car lease instalments.

You can pay one-off costs, such as annual car registration and get a refund from your provider or give them the bill to pay.

You must meet all costs of your salary package, including:

- salary package payments
- admin fees and charges
- financial advice costs
- any FBT and GST you owe.

## ✓ How do I get started?

Read our [Salary Packaging Procedure Statement](#) [PDF] or contact Smartsalary for general advice. You should also talk to a financial advisor about what package options will benefit you. The [Salary Packaging calculator](#) can also assist you to find the package that suits you. Before you apply to package an item, we need you to sign a waiver. The waiver states that you received financial advice or you have chosen not to. This makes you responsible for your decisions.

## ✓ Can I stop, change or transfer my salary package?

You can change your salary package at any time, but fees may apply. Talk to your provider and financial advisor before you make changes.

You can stop salary packaging, but you need to give your provider 4-weeks' notice. You also need to tell them if you're leaving the agency.

If you leave the agency, but still work for the APS, you may be able to keep your current package. Find out about the rules of your new employer and tell your provider. Always get financial advice before ending or transferring your salary package.

## ✓ How is my package taxed?

### Impacts on your entitlements and tax

You will still pay fortnightly tax based on your gross pay. Parts of your salary are treated as if you don't salary package. These include:

- super
- overtime
- shift allowance
- rental payments
- child support
- pay entitlements when you leave the agency.

You should find how your salary package affects your tax.

## Fringe Benefit Tax (FBT)

Only the novated car lease attracts FBT. The other items you can salary package aren't liable for FBT but may attract different taxes, such as a contribution tax for super. If you're liable for FBT, the cost is passed to you.

- [Salary package and FBT policy](#)
- [Car leasing and FBT](#) [PDF]

## Goods and Services Tax (GST)

Some package items and admin costs attract GST. If this happens with your package, the agency will claim the GST refund and lodge it with the ATO. When it's processed, your provider pays any credits into your package account each month.

You should get advice about how your salary package affects your tax.

## ✓ Salary packaging and your payslip

Salary package payments get deducted and show up on your payslip in 2 parts:

- pre-tax (Sal Sac Pre Tax)
- post-tax (Sal Sac E'ee Cont).

You may notice 'Sal. Sac. Inp Tax' amounts on your payslip too. This credit amount is a monthly tax reconciliation associated with your salary package.

If you have any questions about the amounts on your payslip, you should contact your salary packaging provider.

## HR handy links

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## Talk with us

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## HR Hubs

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## Content details

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# Salary packaging FBT policy

Published 15/01/2025

## What is salary packaging

Salary packaging is an arrangement between an employer and an employee, where the employee agrees to forego part of their salary or wages in return for the employer's salary packaging provider providing benefits of a similar value.

Anyone considering entering into a salary packaging arrangement is encouraged to seek independent financial advice before entering into an arrangement.

## Implications of salary packaging

Employees need to be aware how entering into a salary packaging arrangement will affect them. The following information may provide you with some guidance.

- [Money Smart salary packaging website](#)
- [Australian Taxation Office salary sacrifice arrangement for employees page](#)

## Superannuation

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## Motor vehicle leasing

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Further information is available from the [Payroll Services Salary Packaging](#) page.

## Contacts

For more information, please contact:

- Smartsalary on **1300 476 278**
- Taxation (GST and FBT issues) please email [taxation](#).

## Branch

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## Quick links

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## Content details

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## Otherwise deductible expenses – fact sheet

DESCRIPTION	<p>Staff may salary package the cost of 'Otherwise Deductible Expenses' such as:</p> <ul style="list-style-type: none"> <li>• briefcase, electronic calculator and diary</li> <li>• self education</li> <li>• work related mobile phone.</li> </ul>
WHAT IS ALLOWABLE?	Payment of the 'Otherwise Deductible' item.
TAXATION ISSUES	<p>Fringe Benefits Tax does not apply.</p> <p>The benefit is not a reportable fringe benefit and therefore not reported on the staff member's income statement.</p> <p>Where GST is payable on the expense, the GST is returned to the agency staff member.</p>
SUBSTANTIATION	Staff must submit the original receipt for reimbursement of expense incurred.
EMPLOYEE DECLARATION	An 'Expense Payment Fringe Benefit Declaration' must be submitted on each occasion that a reimbursement claim is made.
FORM OF PAYMENT	<p>Direct payment to third party where the employee submits the original account.</p> <p>Reimbursement to staff where the original receipt/s have been forwarded to Smartsalary.</p>
PACKAGE COST	Costs of expense and administration fee.
ADDITIONAL INFORMATION	<p>Requests for reimbursement/direct payments will only be processed where the original receipt/accounts have been forwarded with claims.</p> <p>As your 'Otherwise Deductible Expenses' have been reimbursed in the salary packaging process, you will not be able to claim an income tax deduction in your annual tax return.</p>