



Topic:	Salary Packaging
Policy No:	2-C11
Policy Area:	Stewardship
Standing Committee:	School Personnel Committee
Date Promulgated:	2002
Date for Review:	2016

## 1. Rationale

Through salary packaging staff in Catholic schools and the Catholic Education Office of Western Australia will be able to determine alternative ways of being remunerated within guidelines provided by the Australian Catholic Bishops' Conference (ACBC) and legislative requirements.

This policy statement addresses the issues of salary packaging. In promulgating this policy the Catholic Education Commission of Western Australia (CECWA) acknowledges the importance of providing Catholic school and Catholic Education Office of Western Australia staff an opportunity of accessing salary packaging.

## 2. Definitions

Salary packaging is where an employer and employee agree that the employee's remuneration package will be received by way of a combination of cash salary and non-cash benefits.

## 3. Scope

This policy applies to all Catholic schools in Western Australia and the Catholic Education Office of Western Australia.

## 4. Principles

- 4.1 Employers are able to offer staff the option to salary package.
- 4.2 It is the employee's decision whether to proceed with salary packaging.

## 5. Procedures

- 5.1 Salary Packaging is available to all employees.
- 5.2 The guidelines provided by the ACBC should be followed in the administration of salary packaging.
- 5.3 Salary packaging must comply with all the applicable taxation and industrial legislation.
- 5.4 A *Manual of Procedures for Salary Packaging* shall be maintained by the Catholic Education Office of Western Australia's (CEOWA) external service provider, adhering to guidelines

established by the ACBC and the Australian Taxation Office. This manual will be made available on the CEOWA website.

- 5.5 The CEOWA has contracted an external service provider to manage salary packaging for all Catholic schools in Western Australia and the Catholic Education Office of Western Australia. Employees who decide to package must use this provider for all salary packaging except superannuation or the lease of a note book computer through the Catholic Schools' Staff Notebook Scheme.
- 5.6 Principals shall ensure that information pertaining to salary packaging is passed on to relevant staff.
- 5.7 Employees may salary package superannuation to the complying superannuation fund of their choice.
- 5.8 Employees who opt to salary package must comply fully with procedures outlined in the approved *Manual of Procedures for Salary Packaging*.
- 5.9 Employees may only enter into a salary packaging arrangement with a total grossed up taxable value not exceeding the fringe benefit capping threshold (currently \$30,000). This figure is inclusive of all employer provided benefits (including any school provided benefits such as the school car).
- 5.10 Where an employee exceeds the fringe benefit capping threshold that entitles rebatable employers to the concessional fringe benefits tax rebate, the employee shall be liable for the FBT payable that is not subject to the rebate.
- 5.11 Salary packaging shall be cost neutral to the employer.
- 5.12 All liability for salary packaging is the responsibility of the employee.
- 5.13 It is recommended that employees obtain independent financial advice before proceeding with a salary packaging arrangement.
- 5.14 Employers in order accountable schools may vary from the detail of the above procedures in exceptional circumstances, provided the procedures they develop are consistent with the rationale and principles outlined above.

## 6. References

Australian Catholic Bishops' Conference (ACBC) and legislative requirements

## 7. Related Documents

Manual of Procedures for Salary Packaging

## 8. Review History

Year of Review:	Reviewed by:	Amendments/Review
2002	SPC	Originally Released
2006	SPC	Reviewed
2010	CEOWA	Reformatted
2011	SPC	Reviewed

## 9. Next Review

Year:	CEOWA Standing Committee Responsible
2016	School Personnel Committee