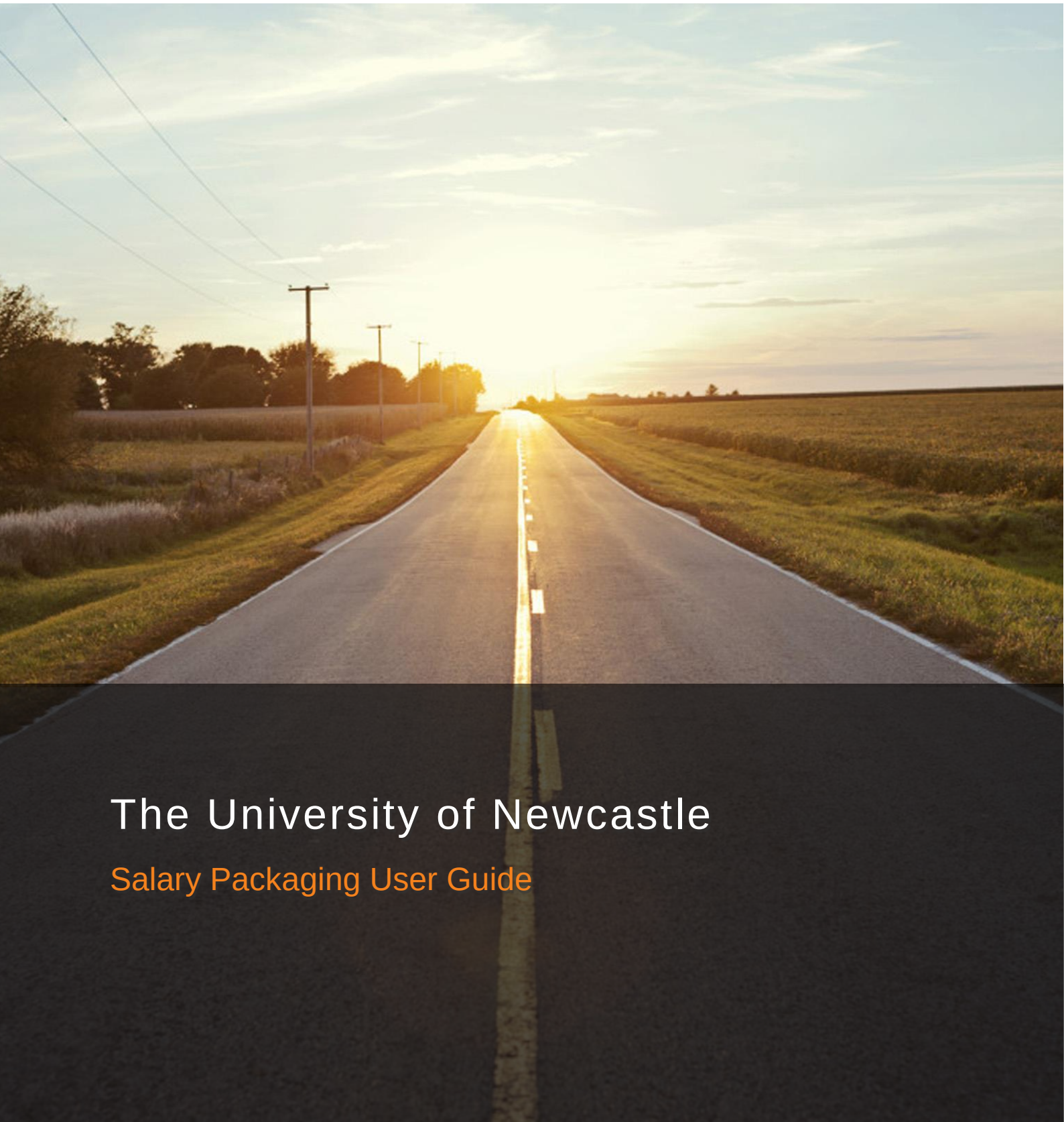
SalaryPlan
Easier Salary Packaging



The University of Newcastle

Salary Packaging User Guide

Table of Contents

Introduction to SalaryPlan and Salary Packaging Administration 3

Reading this guide 3
What is salary packaging? 3
Eligibility for salary packaging 3
Benefits available to me 4
Seeking financial advice 4
Commencing salary packaging 4
SalaryPlan's role in salary packaging 4
SalaryPlan fee 5
Contacting LeasePlan and SalaryPlan 5
GST 6
Luxury Tax 6
Packaging account deficit collection 6
Ceasing a lease vehicle 7
On-line employee reporting 7
New employee benefit 7
Existing employee benefit 7
SalaryPlan calculator 7
Reporting on Payment Summaries 8

Motor Vehicle Leasing 9

What is a novated lease? 9
The benefits of a novated lease 9
How FBT affects your package costs 9
FBT statutory percentage rates 10
Days unavailable 10
FBT declarations your obligations 10
The employee contribution method (ECM) 11
Creating a quote with LeasePlan 11
Vehicle Pricing 12
Commencing salary packaging for a novated lease 12
End of lease 12
Leaving employment 12

Other benefits for you 14

Superannuation Benefit 14
Commencing salary packaging for superannuation 14
Mobile phone benefit 14
Commencing salary packaging for a mobile phone 14
Exempt or otherwise deductible benefit items 15
Commencing salary packaging for exempt of otherwise deductible benefits 15
Laptop computer benefit 15
Laptop computer reimbursement 15
Commencing salary packaging for a laptop computer 16
Relocation expenses 16
Temporary accommodation 16

Home sale & home purchase expenses _____ 17
Commencing salary packaging for reimbursement of relocation expenses __ 17
In-house child care _____ 17
Commencing salary packaging for in-house child care _____ 18
Living away from home expenses _____ 18
Rules around living away from home allowance eligibility. _____ 18
Temporary accommodation _____ 18
Additional Food/Meal Expenses _____ 19
Commencing salary packaging for reimbursement of living away from home expenses _____ 19

SalaryPlan

Introduction to SalaryPlan and Salary Packaging Administration

This document should be read in conjunction with your employers' salary packaging policy.

Your employer has introduced salary packaging as an option for all eligible employees to tailor the mix of salary/wages and benefits to best suits your individual needs. Salary packaging is simply a way for employees to reduce salary or wages and in exchange receive benefits provided by your employer. When the various Australian taxation laws are applied, this salary packaging approach can be tax effective and beneficial to you because it gives you;

- Potentially increased net value of your remuneration (tax effective)
- Flexibility to structure your remuneration to best suit your individual needs

The total remuneration you receive does not change. When using salary packaging you are able to receive part of your remuneration in cash and the balance by way of benefits selected from the range of packaging benefit items set out in this guide.

Neither SalaryPlan nor your employer are Financial Planners or Taxation Advisors and make no representations as to expertise in providing any financial or taxation information.

Reading this guide

This document is to be read as a guide to salary packaging only.

Our best efforts have been made to explain the general subject matter but no warranty is provided regarding the contents of this document nor its accuracy or currency. Any decision to salary package must be made after taking the appropriate financial advice.

What is salary packaging?

Salary packaging is an arrangement between you and your employer where you agree to forgo part of your future entitlement to salary or wages in return for your employer providing you benefits of a similar cost.

- Salary packaging can offer greater flexibility of your remuneration
- Salary packaging must be prospective
- Salary packaging is a voluntary option for eligible employees
- SalaryPlan and your employer strongly recommend that any person considering salary packaging seek independent financial advice before entering into an arrangement for packaging

Under a salary packaging arrangement:

- Your employer agrees to provide a nominated benefit
- If the benefit is subject to Fringe Benefits Tax (FBT) your employer is responsible for paying the FBT
- The costs of the benefit plus FBT (if any) are deducted from your salary or wage
- You will then be required to pay income tax (PAYG) on the reduced salary or wages

Eligibility for salary packaging

Eligibility is determined within your employer's salary packaging policy.

Salary packaging is available to all eligible staff who are permanent employees and not subject to a probation period. Packaging is not available to casual staff.

Benefits available to me

- Novated Leases via LeasePlan
- Mobile phone
- Laptops – One per year (primarily business use)
- Airport Lounge membership
- Additional Superannuation
- Relocation Expenses – related to employment
- Cost of financial or tax advisors
- Trade or Professional journals and association fees
- Disability Income protection insurance
- In House Child Care
- Living away from home allowance

Seeking financial advice

Yes. All employees considering salary packaging should seek financial advice.

Commencing salary packaging

- Consider which benefit(s) you wish to salary package
- Seek independent taxation or financial advice
- Complete the "SalaryPlan – Salary packaging employee application form (if this is the first time you have salary packaged with SalaryPlan)
- Complete the required forms as set out in this guide for the benefit(s) you have chosen
- If you have any questions or require assistance, contact SalaryPlan

SalaryPlan's role in salary packaging

Your employer has appointed SalaryPlan to administer employee salary packaging arrangements. In this role SalaryPlan operates as your employer's agent to facilitate the following tasks:

SalaryPlan will not provide financial or taxation advice, where employees have financial or taxation inquiries, SalaryPlan will encourage the employee to seek independent advice from a suitably qualified person.

- Assist employees with salary packaging inquiries relating to the list of benefits in outlined within this document
- Provide your employer with deduction required from payroll
- SalaryPlan will receive funds deducted from payroll into a dedicated account
- Amounts received will be allocated to individual employee packaging accounts
- Make payments to each benefit accordance with payment terms
- Collate FBT liability details and submit to your employer
- Collate GST transaction and report these to your employer
- On receiving advice of employee termination, SalaryPlan will promptly reconcile the employee's individual packaging account and interim FBT liability position
- Reconcile each employees actual FBT liability
- SalaryPlan will coordinate collections or refunds via your employer's payroll
- Provide employees access to view the status of their individual packaging accounts

SalaryPlan fee

To administer your salary packaging arrangement SalaryPlan charges a fee with each benefit item. These annual GST exclusive fees are shown below:

	Per annum fee if paid Fortnightly
Novated Lease - LeasePlan	$104.00
Novated Lease – Other Provider	$104.00
Child Care and Superannuation	$91.00
Other Packaging Benefit with Novated Lease	$52.00
Other Packaging Benefit	$91.00
Package Amendment (if greater than twice per benefit per year)	$50.00
Maximum Fee per year	$300.00

- The above fees are to cover establishment and administration associated with salary packaging benefits
- Your established benefit items can be altered once per year at no charges, however, each change in excess of this will incur an additional fee of $50

Contacting LeasePlan and SalaryPlan

Employees need to be aware that the new salary packaging arrangement with LeasePlan and SalaryPlan will be administered under the Employers names and employers numbers below:

- **University of Newcastle – 1000157071**

SalaryPlan – Queries around your deductions from your salary for your benefits.

- Email: support@salaryplan.com.au
- Phone queue for employees within Australia: 1300 790 140
- Fax number within Australia: 1300 790 160
- Online reporting site: https://salaryplanreports.leaseplan.com.au
- Business Hours - Monday to Friday 8:30am to 5pm AEST

LeasePlan Customer Service – Queries around your novated lease.

- Email: cservice@leaseplan.com.au
- Phone queue for employees within Australia: 1300 668 572
- LeasePlan Online: https://portal.leaseplan.com.au/irj/portal
- Business Hours - Monday to Friday 8:30am to 5pm AEST

GST

Your employer is able to claim Input Tax Credits for the GST paid, thus the GST tax credit will reduce the net cost of the salary packaged items to you. Essentially you will only be packaging:

- The cost of the packaged benefit (e.g. novated lease), excluding the GST element
- The SalaryPlan salary packaging administration fees, excluding the GST element
- If you are using the ECM method you will be charged the GST on the contribution
- Any applicable FBT liability (if any applies)

Further information regarding GST can be accessed from the Australian Taxation Office website at www.ato.gov.au.

Luxury Tax

A lease is classified as a luxury lease when the amount financed under the lease is greater than the luxury taxation limit (currently $57,466).

Novated leases which have a finance value greater than $57,466 are treated differently for tax purposes.

This treatment imposes additional costs on your employer due to the tax deduction foregone. This cost will form part of your standard payroll deduction for your lease vehicle

This cost should not be confused with the Government imposed taxation surcharge which is payable as part of the vehicle purchase cost and shown separately on your quotation as part of the capital cost of your lease.

Packaging account deficit collection

If your Salary Packaging account is in deficit, then extra funds must be collected in order to recover costs.

Your account may be in deficit due to:

- If you do not meet your required kilometres per annum for FBT and incur a further FBT liability bill.(further information on FBT can be found in this guide)
- there is a deficit in your Operating Costs at Settlement (this is only applicable to vehicles on Termination of their Lease)
- Deductions not being sufficient to cover invoices/costs, due to timing of payroll and start of lease commencement or changes to the lease arrangement.

As an employee you have a responsibility to ensure that deductions start on time on your lease and that you query any deductions that you believe to be incorrect.

SalaryPlan endeavour to ensure that deductions are correct and start as close to delivery of the lease as possible, but if information is not provided in a timely manner by either the employer, employee or the lease provider SalaryPlan may be required to make adjustments to your collections.

These deficits are to be collected as per below:

- $0 to $1000 within one month
- $1000 to $2000 within two months
- $2000 to $3500 within three months
- $3500+, by negotiation but not to exceed 3 months

Ceasing a lease vehicle

SalaryPlan cannot cease deductions until notified by the lease provider that the lease is ceasing or you have terminated employment.

- If you decide to cease or discontinue your lease you must contact your lease provider to discuss and choose the option you wish to take.
- Once your lease has ceased your lease provider will notify SalaryPlan to cease deductions.
- Upon the cessation of your lease you will be required to complete a Motor Vehicle Declaration Form.

On-line employee reporting

Access our online employee reporting site at: *https://salaryplanreports.leaseplan.com.au/*

- The SalaryPlan reporting site will show all benefits that are active within the current FBT year.
- Each benefit will detail the deductions received from your payroll, and all payments made to the benefit provider.
- Please note that the deductions received are GST exclusive, and the payments made are GST inclusive, you will note a separate section showing the GST credited back to you on all payments made that have GST claimable on them.
- Any FBT collected will also be shown separate from the deductions used to fund the benefit.
- The detail shown on the reporting site for each benefit will only show the current FBT year.

New employee benefit

If you have not yet begun salary packaging please follow the below instructions.

- Enter the Customer Number for **University of Newcastle – 1000157071**
- Click Log in Button

This will then give you access to the forms required by SalaryPlan and also to the salary packaging impact calculator.

Please follow the instructions on the site from here.

Existing employee benefit

If you require your password to be reset please contact SalaryPlan

If you have a salary packaging benefit already set up with SalaryPlan or a benefit that has been part of the transition you will be provided by SalaryPlan with your login details at the beginning of the arrangement.

This will then give you access to the forms required by SalaryPlan and also to the salary packaging impact calculator.

SalaryPlan calculator

The SalaryPlan reporting site has a salary packaging impact calculator that you can use to simulate the impact on your take home pay of different benefit arrangements, including your novated lease.

SalaryPlan

Reporting on Payment Summaries

It is important that independent financial advice is sought to ensure you optimise your tax position, based on your personal circumstances.

Non-exempt benefits provided to an employee in an FBT year (1 April - 31 March) which are subject to FBT and ATO limits and will be reported on employee Payment Summaries (Group Certificates) at the end of each financial year. The amount that will be reported on the Payment Summary will be the “grossed up” value of the benefits in accordance with the FBT Act

Whilst the value of benefits reported on Payment Summaries will not affect the amount of income tax you pay, it **will** be taken into account by Government Agencies when determining the amount of government allowances and charges.

These allowances may include, but are not restricted to:

- Medicare surcharge in relation to private health insurance
- Repayment of HELP (HECS or SFSS) debt
- Child support payments
- Family Allowances (base non-grossed up value used)

SalaryPlan

Motor Vehicle Leasing

What is a novated lease?

A Novated vehicle lease is an arrangement between you, your employer and the novated lease provider as the financier and fleet manager. It enables you to lease a vehicle of your choice whilst enjoying the tax-effective benefits of financing the vehicle and its operating costs from pre-tax or a combination of pre & post-tax salary.

The benefits of a novated lease

Build equity using pre tax dollars

- Vehicle costs are deducted from your salary before tax
- Significant benefits can be obtained via pre-tax savings on lease and operating costs

Concessional tax benefit

- You are able to benefit from the available tax concessions i.e. FBT can be lower than income tax

Increase disposable income

- Increase disposable income and lower or eliminate the FBT liability with post-tax contributions via the Employee Contribution Method (ECM)
- You may achieve a potential income tax-free lump sum benefit at lease expiry

Potential tax free profit on sale

- You are able to package your current vehicle or a second-hand vehicle,(Please refer to your lease provider to discuss the criteria)

Great discounts and other fleet management benefits

- The vehicle is registered in your name. This negates payment of stamp duty if the vehicle is purchased at lease end
- You benefit from higher vehicle purchasing discounts through the lease providers buying power
- You save on operating costs through full fleet management controls

GST free motoring

- Vehicles that have been carefully taken care of will normally have higher resale values as well as lower running costs. These savings are passed on to you
- You will enjoy GST free motoring. You only pay GST on the residual value at lease expiry

Transferable

- The vehicle may also be novated to your new employer or purchased outright if your employment is terminated. (Please refer to your lease provider for contract conditions)

How FBT affects your package costs

When you obtain a vehicle under a novation lease arrangement your employer becomes liable for Car Fringe Benefit Tax. The FBT liability, which your employer incurs, is charged back to you as part of your salary deduction. Car FBT is usually calculated using a statutory formula.

FBT statutory percentage rates

Protected rates if your lease started before 11 May 2011

All new Novated leases entered into after the 1st of April 2014 will be subject to a 20% FBT rate. This rate applies regardless of the number of kilometres travelled each year.

If you entered into your lease contract before the 11th of May 2011 different rates apply. Please contact SalaryPlan to discuss your particular circumstances.

Days unavailable

There are strict conditions around days unavailable, and you must provide a written declaration in regards to these at the end of each FBT year

If your novated lease vehicle is not available for private use during the FBT year days unavailable could be applicable to your FBT declaration.

Days Unavailable can reduce the amount of FBT payable for the year, as you are not charged/liable for FBT on these days.

It is important to note that Days Unavailable do not reduce the km's you are required to travel (protected rates only) to make your budgeted FBT bracket you have nominated.

There are strict conditions around days unavailable and you must provide written declarations in regards to these at the end of each FBT year, and you or your employer may be requested to provide further proof that the Days Unavailable are valid.

The conditions for days unavailable are detailed below:

- A day unavailable is a whole 24 hour period and does not include the day the vehicle is dropped off or the day the vehicle is picked up.
- The vehicle must be garaged at the employer's place of business.
- Keys must be left with the employer – the employer must control all access to the vehicle.
- Smash repair and maintenance that meets the whole 24 hour period are claimable as the vehicle is deemed un-roadworthy and cannot be driven.
- Vehicle must not be available for private use
- A declaration must be supplied at the end of the FBT year.

FBT declarations your obligations

At the end of the FBT year (31st of March) you are required to submit a declaration to either your lease provider or SalaryPlan.

This is used to calculate your actual FBT liability for that year.

The declaration includes

- The end odometer reading as at the 31st March – *compulsory if your lease is on protected rates*
- Any valid days unavailable
- Any out of pocket contributions made to the running costs of the lease vehicle.

If you have days unavailable and/or out of pocket contributions you must submit a declaration

The odometer reading that you provide is verified against maintenance and fuel fill readings that have been submitted on filling your vehicle.

If your declared reading is deemed to be invalid and not fitting with your actual usage you will be requested to have your vehicle and odometer reading sited and verified by your employer.

These declarations are also used to assist in managing your operating budgets on your lease e.g. fuel, tyres, and maintenance; therefore it is important that these are accurate.

The employee contribution method (ECM)

For more information on Novated Leasing please refer to the link below.
www.leaseplan.com.au/

The Employee Contribution Method (ECM) can help improve the tax effectiveness of your motor vehicle packaging arrangement. SalaryPlan encourages all employees to consider this method.

ECM is where you make a post-tax contribution towards the cost of operating your Novated lease vehicle.

Instead of salary sacrificing the complete vehicle lease cost including Car FBT liability from pre-tax salary, a portion of the vehicle lease cost is deducted as an 'employee contribution' from your post-tax salary. This will show on your pay slip as a second salary deduction post-tax.

If you elect to use ECM, SalaryPlan will calculate the post-tax contribution needed to eliminate your estimated Car FBT liability. By reducing or eliminating the Car FBT amount payable you lower the overall packaging cost and increase your disposable income.

Creating a quote with LeasePlan

To generate a quote yourself visit LeasePlan Online via the LeasePlan website www.leaseplan.com.au.

When you are accessing LeasePlan online for the first time you will need to register as a new user please use the appropriate customer number below:

- **University of Newcastle – 1000157071**

Please also enter your correct 6 digit payroll number followed by your 2 digit Job No shown on your payslip e.g. 34567801 into the LeasePlan Online including the Job No system as this ensures you are identified by SalaryPlan and your employer correctly.

Click on the link below for more information about leasing and vehicle selection with LeasePlan: *https://portal.leaseplan.com.au/irj/portal/anonymous*

Using LeasePlan online you can:

If you have any queries, please contact the Customer Service Centre on 1300 668 572 or email cservice@leaseplan.com.au

- Create a quote
- Save and compare new vehicle quotes
- Approve a quote and submit an order online, including your credit application
- View your existing lease
- Update your own profile details
- View your motor vehicle reports

The Driver Help section can assist you with each step along the way, and our driver specific news will keep you up to date with industry news and views.

You can also make use of the SalaryPlan reporting site salary packaging impact calculator (mentioned in this guide) if you are packaging more than one benefit to assess your take home pay position.

SalaryPlan

Vehicle Pricing

LeasePlan obtain pricing from our preferred dealer network. If you have a dealership that you would prefer to use, please ensure you have a documented breakdown of their pricing on dealership letterhead. If a LeasePlan preferred dealer can match or better this price the vehicle will be ordered through LeasePlan's preferred dealer network.

Should you wish to purchase the vehicle from a dealer outside LeasePlan's preferred dealer network due to better trade-in terms, this can be accommodated. The dealer will be required to sign an Order Acceptance and LeasePlan reserves the right to transfer the order to another dealer should they not accept LeasePlan's terms and conditions. LeasePlan takes no responsibility for the accuracy or completeness of any pricing that you provide.

If you require any assistance please contact LeasePlan.

Commencing salary packaging for a novated lease

Please remember if you wish to utilise ECM you must nominate this at the time you request a lease quotation

- Before you apply for a lease you should obtain advice from your financial advisor.
- Apply for your lease and complete all required documentation as requested by the novated lease provider
- Once your vehicle is ordered, SalaryPlan will be notified by the lease provider and will issue any required documents for you to complete

End of lease

Once the lease provider has advised SalaryPlan that your lease has ended, SalaryPlan will undertake full package reconciliation for that vehicle benefit.

The reconciliation takes into account the following items:

- Deductions collected from your payroll by SalaryPlan
- Lease payments paid to the lease provider
- Operating cost reconciliation provided to SalaryPlan by the lease provider
- Actual FBT liability as at the end date of the lease
- Any balances pre-SalaryPlan transferred from your employer
- Please note that all salary packaging costs are excluding GST

To enable this reconciliation to occur in a timely manner and to be accurate, you are required to complete the Motor Vehicle Declaration Form and return this to SalaryPlan as soon as possible after the lease ends.

You will then be provided with full package reconciliation, this will show either an overall surplus or deficit position of your package.

If there is a surplus this will be returned to your payroll to be credited to you.

If there is a deficit this will be collected from your pre-tax salary as per the deficit collection scheduled outlined in this guide.

Leaving employment

To ensure no penalties you should also contact the lease provider as soon as possible

- Your employer will notify SalaryPlan that you are ceasing employment.
- Your lease provider should contact you to discuss your options
- Prior to your last day of employment SalaryPlan will provide you and your employer with estimate reconciliation, this is used to assess if any funds are required to be held back from your termination pay.

- To enable this reconciliation to occur in a timely manner and to be accurate, you are required to complete the Motor Vehicle Declaration and return this to SalaryPlan as soon as possible after the lease ends.
- Once the lease provider has advised SalaryPlan that your lease has ended, SalaryPlan will undertake final package reconciliation for that vehicle.
- This will show either an overall surplus or deficit position of your package.
- If there is a surplus this will be returned to your payroll to be credited to you.
- If there is a deficit you will be required to pay this to SalaryPlan within 7 days of receiving the final reconciliation.

This reconciliation takes into account the following items:

The reconciliation cannot be made final until notification from the lease provider advises that you have ceased or transferred the lease, and where relevant operating cost reconciliation is received by SalaryPlan.

- Deductions collected from your payroll by SalaryPlan
- Lease payments paid to the lease provider
- Operating cost reconciliation estimate provided by the lease provider
- FBT liability as at the end date of the lease.
- Any balances pre-SalaryPlan transferred from your employer
- Any funds collected from final pay based on the estimate reconciliation
- Please note that all salary packaging costs are excluding GST

Other benefits for you

Superannuation Benefit

Employees may elect to salary package a voluntary contribution to an eligible superannuation fund of your choice

Salary packaged superannuation contributions can only be made to funds that meet complying fund status in accordance with ISC legislation. You will be required to supply evidence from you fund indicating this complying fund status requirement.

Superannuation contributions are not subject to GST

Superannuation can be complex and there are many aspects that need to be considered. Before entering into salary packaging for superannuation you should seek independent financial advice. Some issues you should discuss with your financial advisor are:

- Access to salary packaged contribution, (generally only available after your retirement)
- Your retirement requirements
- Legislation and possible changes
- Life insurance matters which some funds supply

Commencing salary packaging for superannuation

- Obtain the advice of your financial advisor about current concessional contribution limits to Superannuation
- Decide on the amount of salary packaged contributions (in addition to those already made on your behalf by your employer)
- Complete the forms provided by SalaryPlan with the required documentation

Mobile phone benefit

When applying for these salary packaging benefit items you will be making a declaration to this effect.

The cost of one Mobile Phone (including iPhone) per FBT year (1 April to 31 March) can be salary packaged and can be exempt from FBT. The ATO regulations (section 58X) allow this exemption where the phone is business related and is primarily used for work related purposes.

You also need to be fully aware that SalaryPlan or your employer does not insure these items, it is your responsibility to organise insurance if you so desire.

To commence your packaging for the Mobile Phone you will be required to supply the original detailed supplier invoice and delivery dockets as part of the taxation substantiation requirements.

Commencing salary packaging for a mobile phone

- Obtain the advice of your financial advisor
- Acquire the item ensuring you comply with the ATO regulations mentioned above
- Complete the forms as directed by SalaryPlan and submit with the required documentation

Exempt or otherwise deductible benefit items

Typically these items would be tax deductible and you would claim the deduction upon completion of your annual tax return. Salary packaging these items brings forward this deduction. You need to be aware that an item salary package exempt from FBT cannot be used as a further tax deduction in your annual tax return to the ATO.

The cost of certain item, where the principal use of the item is business or work related, you can salary package and will be exempt from FBT.

The range of items that can be salary packaged under this benefit are as follows:

- Professional associations fees (can also include associated journal subscriptions)
- Airport lounge membership (due to work related travel)
- Disability/Injury Income Protection Insurance (not including life insurance)
- Protective clothing
- Self education expenses (not HECS)
- Fees for professional Accountant/Financial Planner/Taxation advisor

When applying for this salary packaging these benefit items you will be making a declaration to the effect that the item is either principally used for business purposes or is work related.

It is your obligation to ensure the item complies with the ATO regulation

With these benefit items you purchase the item and fund the purchase from your own monies. You can then claim reimbursement by instalments or in one payroll deduction.

You also need to be fully aware that SalaryPlan or your employer does not insure these items, it is your responsibility to organise insurance if you so desire.

Commencing salary packaging for exempt of otherwise deductible benefits

- Obtain the advice of your financial advisor
- Acquire the item ensuring you comply with the ATO regulations mentioned above
  Complete the forms as directed by SalaryPlan and submit with the required documentation

Only the laptop and business related software can be salary packed in accordance with Australian Taxation Office (ATO) regulations. Desktop computers do not have this exemption.

Laptop computer benefit

The cost of one laptop (including iPad) per FBT year (1 April to 31 March) can be salary packaged, and may be exempt from FBT if primarily for business use.

Laptop computer reimbursement

If you wish to acquire a laptop computer of your choice from the supplier of your choice you may do so.

It is your obligation to ensure the laptop complies with the ATO regulations, if you do not comply with these regulations the laptop may be subject to FBT and any FBT incurred by your employer will be passed on to you in full.

Under this method you purchase the laptop and fund the purchase from your own monies. You can then claim reimbursement by instalments. When establishing the laptop reimbursement benefit you will determine the time period the reimbursement will occur. It is recommended that you complete the laptop benefit within the same FBT year.

Under this method additional warranty, carry bags etc. cannot be included in the salary packaging benefit.

You also need to be fully aware that a laptop computer acquired via this method is not insured by LeasePlan/SalaryPlan or your employer, it is your responsibility to organise insurance if you so desire.

Commencing salary packaging for a laptop computer

Please ensure you retain the original invoice and receipts for any warranty issues that may arise.

- Obtain the advice of your financial advisor
- Acquire the item ensuring you comply with the ATO regulations mentioned above
- Complete the forms as directed by SalaryPlan and submit with the required documentation

Relocation expenses

The expenses associated with relocation must be directly related to you accepting an appointment with your employer.

If you are required to relocate your principal place of residence, as a requirement to perform your duties associated with your appointment, certain cost can be salary packaged and be exempt from FBT, where all the associated tax rules and conditions (detailed below) are satisfied.
The types of expenses that can be packaged are broken into three areas

1. Initial relocation expenses
    - Cost of travel to the new location
    - Relocation counselling services
    - Removal/storage/transport expenses associated with household goods and effects
2. Temporary accommodation
3. Housing Expenses
    - Reimbursement of home sales and purchase costs
    - Connection/re-connection cost relating to Utilities

Temporary accommodation

Expenses are limited to set periods as follows:

- Maximum 21 days at former location providing former residence is unavailable or unsuitable for occupancy i.e. due to furniture removal etc.
- Maximum of 4 months at new location, commencing from 7 days prior to starting new duties. This may be extended to 6 months if you can evidence sustained efforts to seek long-term accommodation. This may be extended to 12 months where you selling former residence within 6 months after the relocation occurring.

You will be required to complete a Temporary Accommodation contact SalaryPlan on 1300 790 140 to assist you

- You will be required to submit all documentary evidence relating to the claim and where required provide tax invoices.
    - Including travel costs
    - Removal costs
    - Storage costs
    - Rental accommodation
    - Meals

Home sale & home purchase expenses

Strict conditions are set around the purchase and sale of your primary residence

When you change your usual place of residence, the cost of selling the former home and purchasing the new home will be exempt from FBT provided the following rules are satisfied:

- The former home must have been owned and occupied by you (or an associate) as your principle residence at the time the assignment was instigated
- You (or associate) must sell the former home solely because you were required to change your usual place of residence in order to perform the duties of your employment, and
- You (or an associate) must enter into a contract of sale for the former home within two years after the day on which you commence performance of duties at the new place of employment.
- You must provide documentary evidence regarding the sale expenses.
    - Copy of invoice for agent fees paid

Regarding the purchase of a new home, the following further conditions must be satisfied:

- The new home must be owned and occupied by you (or an associate) as your principle residence.
- You (or an associate) must purchase the new home solely because you are required to change your usual place of residence in order to perform the duties of your employment.
- You (or an associate) must enter into the contract of purchase within four years after the day on which they commence performance of duties at the new place of employment.
- Your must provide documentary evidence regarding the purchase expenses.
    - Copy of invoice for stamp duty paid
    - Copy of agent fees paid if applicable to the purchase

Commencing salary packaging for reimbursement of relocation expenses

Before you consider salary packaging you should obtain advice from your financial advisor.
You must pay all expenses and obtain a valid tax invoice for each expense item.
Complete the forms as directed by SalaryPlan and submit these as directed with the required substantiation documents.

In-house child care

If you are an employee who is eligible to salary package and you have a child enrolled in the University Child Care facility listed below, you are able to salary package these expenses which are exempt of FBT.

- KU Kooinda Work Based Child Care Centre

The expense for the child care must be for the employee's child(ren) or dependent(s).
The benefit can only be salary packaged for the above mentioned child care facility.

Commencing salary packaging for in-house child care

- Obtain the advice of your financial advisor
- Acquire the item ensuring you comply with the ATO regulations mentioned above

You will need to provide:

- A copy of the enrolment form from Kooinda
- Completed forms provided by SalaryPlan and submit with the required documentation

Living away from home expenses

If you are required to live away from your principal place of residence on a temporary basis as a requirement to perform your allocated duties certain expenses can be salary package and be exempt from FBT, where all the associated tax rule and conditions are satisfied. The expenses associated with living away from home must be directly related to you undertaking your duties for your employer in a temporary location to your normal place of residence to perform your employment related duties. An employee who moves to the new location with the intention to return to their old location at the end of the appointment would generally be treated as eligible for Living Away From Home Allowance (LAFHA).

LAFHA is also subject to a test that complies with a temporary arrangement and this is limited to 12 months.

LAFHA comprises a regular tax-exempt amount for accommodation and for food and where eligible reduces the employee's taxable income and compensates the employee for expense incurred. It is not an allowance paid in addition to the salary applicable to the position. LAFHA is also subject to a test that complies with a temporary arrangement and this is limited to 12 months.

Rules around living away from home allowance eligibility.

In 2011 the Government reviewed the use and eligibility surrounding LAFHA, and deemed to change the rules and eligibility around this benefit.

- access to the tax exemption for temporary residents will be limited to those who maintain a residence for their own use in Australia, which they are living away from for work purposes, such as 'fly-in fly-out' workers; and
- Individuals will be required to substantiate their actual expenditure on accommodation and food beyond a statutory amount.

No permanent resident legitimately using this tax exemption for accommodation and food expenses will lose any entitlements.
These reforms will not affect other tax concessions, such as those that apply to travel and meal allowances, and remote area fringe benefits.

Temporary accommodation

You will be required to complete a Living Away From Home Declaration

When living away from home reasonable accommodation costs can be claimed. The actual cost of your accommodation (excluding any cost of utilities) can be claimed as a reimbursement subject to the provision invoices or copy of lease for tax substantiation purposes. This item is subject to a reasonable cost test based on the individual employee circumstances.

SalaryPlan

Additional Food/Meal Expenses

When living away from home you can claim the reasonable cost of food and meals, the cost of the food/meals less the normal cost home food cost of $42 per week per adult or $21 per week per child under 12 years of age, will be exempt from FBT.

The reasonable cost of food/meals can be claimed subject to the ATO schedule below which is update by the ATO on a regular basis.

The ATO published per week amounts as at the 1/4/2017 for Food/meals are as follows:

One adult	$247
Two adults	$371
Three adults	$495
One adult and one child	$309
Two adults and one child	$433
Two adults and two children	$495
Two adults and three children	$557
Three adults and one child	$557
Three adults and two children	$619
Four adults	$619

You will be required to complete a Living Away From Home Declaration

('Adults for this purpose are persons who had attained the age of 12 years *before* the beginning of the FBT year.)

In relation to larger family groupings, ATO will accept a food component based on the above figures plus $124 for each additional adult and $62 for each additional child.

Commencing salary packaging for reimbursement of living away from home expenses

- Obtain the advice of your financial advisor
- Acquire the item ensuring you comply with the ATO regulations mentioned above
    - For accommodation cost you must pay all expenses relating to your accommodation and supply a copy of your lease/rental agreement.
    - For additional food/meals, you should also retain copies of valid tax invoice for these expense items for possible tax substantiation (if required by ATO).