

Superannuation

Salary packaging is an Australian Tax Office (ATO) approved way of restructuring your income so you pay less tax. It's an arrangement with your employer whereby you forego part of your gross salary in return for benefits of a similar value, such as mortgage repayments, motor vehicles, laptops and PDA's, meal entertainment and much more. Essentially, your employer pays you the same salary, but instead of paying all your expenses after you're

taxed, you pay for selected expenses before you're taxed, thereby reducing your taxable income. Rather than waiting until your annual tax return, salary package tax-deductible items throughout the year and enjoy the savings each pay day.

Salary packaging with easisalary can save you thousands of dollars every year.

Salary packaging with easisalary will enable you to use funds from your pre-tax salary to make additional contributions to your superannuation. This not only reduces your taxable income, meaning you save on tax, but could also boost your retirement fund.

Benefits

- 1) Employee contributions to a complying superannuation fund are not subject to FBT
- 2) Contributions to a complying superannuation fund are taxed at a concessional rate of 15 per cent
- 3) If your tax rate is higher than 15 per cent, then you'll benefit from a lower tax rate on the amount you salary sacrifice
- 4) Additional contributions up to the cap increase your retirement nest egg

What can I package?

Additional superannuation contributions can be salary sacrificed up to the contribution cap

- The contribution cap is \$30,000 for the 2015/16 tax year
- The contribution cap is \$35,000 for the 2015/16 tax year if you are 50 years or older

How much can I save?

At easisalary, we do the work for you. Use our salary packaging calculator to estimate how much you could save.

Superannuation

What do I need to know?

- When calculating your additional contributions, it is important not to exceed your contributions cap for the year as this will attract an additional tax of 30 per cent plus the Medicare Levy on the excess contributions
- The contribution year for superannuation fund contributions is 1st July to 30th June
- Contributions must be received by your complying superannuation fund before 30th June
- An additional 15 per cent tax will apply to contributions calculated on taxable income over \$300,000 per year
- Salary sacrifice contributions which exceed the contribution cap can be refunded and taxed at the individual's marginal tax rate, less the 15 per cent tax deducted by the fund

Meet Peter

Peter's annual salary is \$100,000.

Peter's employer contributes 9.5% of his annual salary to his complying superannuation fund.

Peter's current superannuation fund is not very large and he is concerned about having enough funds for his retirement.

He has consulted his Financial Planner who has suggested to Peter that he should be contributing as much as possible to his complying superannuation fund.

Peter can contribute an additional \$20,500 per year and remain below the contribution cap. If Peter's tax rate is 30 per cent, he will have saved $\$20,500 \times 15\% = \$3,075$.

This will give his retirement fund an additional \$3,075 per year.

\$100,000	\$20,500
GROSS INCOME	CONTRIBUTION
\$3,075	\$3,075
TAX SAVING	BETTER OFF A YEAR

How can I maximise my pay?

- 1) Check your current contributions and if they are below the contributions cap you should consider salary sacrificing additional superannuation, no matter how small.
- 2) It is recommended that you consult a Financial Planner who will establish what you need to save in order to reach your retirement goals.
- 3) Complete the easisalary Additional Superannuation Form, advising us of the amount and your complying fund details, print and sign.
- 4) Complete the easisalary Financial Advice Received Declaration Form, print and sign.
- 5) Scan the Additional Superannuation Form and the Financial Advice Received Declaration Form and send to easisalary.
- 6) easisalary will process this deduction through your next salary payroll run and reimburse it to your nominated account.