

Salary Packaging Policy

Section 1 - Policy Principles

- (1) This policy supports the University of Newcastle's (University) commitment to supportive and flexible working arrangements for staff in achieving its vision.
- (2) This policy should be read in conjunction with the information contained in the [Salary Packaging website](#).

Section 2 - Policy Intent

- (3) This policy outlines the University's salary packaging arrangements. Salary packaging is a benefit and retention strategy for existing staff, and an important element in developing the University's reputation as an employer of choice in a competitive market place.

Section 3 - Policy Principles

- (4) All continuing, fixed term and casual staff members (as defined by the Enterprise Agreement) are eligible to participate in the University's salary packaging scheme. Due to the nature of their employment, casual staff members are only eligible to salary package a fixed percentage of their salary to the UniSuper superannuation scheme. Likewise, fixed term staff members may not have access to the full range of salary packaging benefits and would be limited by the term of their employment.
- (5) Eligible staff can elect to sacrifice up to 100% of their gross salary after authorised deductions in certain circumstances.
- (6) Salary packaging is voluntary, and must be entered into prospectively. All available salary packaging benefits will comply with the [Fringe Benefits Tax Assessment Act 1986](#), and the [Australian Taxation Office](#) (ATO) requirements and will fall within three FBT categories:
 - a. Exempt Benefits
 - b. Otherwise Deductible Benefits
 - c. Concessionally Taxed Benefits.
- (7) Fully taxable benefits are not available under the University's salary packaging scheme.
- (8) The University will monitor changes to the range of available benefits as defined by the ATO. The list of salary packaging benefits made available to eligible staff will be subject to approval by the Vice-Chancellor.
- (9) Staff members are responsible for seeking independent financial advice, particularly in relation to FBT and income tax issues prior to entering into a salary packaging arrangement.
- (10) The administration of salary packaging may be undertaken either through in-house arrangements for selected benefits or by utilising the services of an external provider. Please refer to the [Salary Packaging website](#) for benefits that are available to be packaged, and for details of the external provider.

(11) Salary packaging arrangements are to be provided at no cost to the University. Staff electing to enter into salary packaging arrangements will be responsible for all applicable administration fees, charges and taxes. Any outstanding costs associated with salary packaging owed by staff members to the University, including Fringe Benefits Taxation liability will be deducted from the staff member's salary in accordance with the following timeframes:

- a. 0 to \$500 over one pay period;
- b. \$500 to \$1,000 over two pay periods;
- c. \$1,000 to \$2,000 over three pay periods;
- d. \$2,000 to \$3,500 over four pay periods;
- e. Above \$3,500 by negotiation, but not to exceed six pay periods.

Status and Details

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Approval Date	19th November 2021
Expiry Date	Not Applicable
Responsible Executive	Martin Sainsbury Chief People and Culture Officer martin.sainsbury@newcastle.edu.au
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Glossary Terms and Definitions

"University" - The University of Newcastle, a body corporate established under sections 4 and 5 of the University of Newcastle Act 1989.

"Salary packaging" - An arrangement between a staff member and the University where the staff member agrees to forgo part of their salary on a pre-tax basis in return for benefits of a similar value provided by the University (or someone associated with the University). Salary packaging is also commonly referred to as salary sacrificing.

"Staff" - Means a person who was at the relevant time employed by the University and includes professional and academic staff of the University, by contract or ongoing, as well as conjoint staff but does not include visitors to the University.

"Term" - When referring to an academic period, term means a period of time aligned to an academic year for the delivery of a course in which students enrol and for which they are usually charged fees for example semesters, trimesters, summer, winter or full-year term. The academic year for a term is determined by the academic year in which the course commences, not concludes. For all other uses of this term, the generic definition applies.