

# SALARY PACKAGING DOCUMENTED EVIDENCE Factsheet



## Definition

Salary packaging is an employer provided benefit where you and your employer agree to forego a portion of your income for 'other' non-cash benefits. This portion of your pre-tax salary is 'sacrificed' in return for employer provided benefits. These non-cash benefits include payment of an employee's mortgage repayments, rent, reimbursement of credit card purchases and other expenses with pre-tax dollars.

To qualify for salary packaging the employee must provide evidence that their salary packaging payments are for legitimate personal expenses (e.g. loans, rent, school fees, rates etc.). Salary Options require each employee to submit a copy of their evidence.

Upon the commencement of your salary packaging arrangement and each year thereafter, Salary Options check and update the employee packages to ensure the evidence is valid. This is called the annual review.

## Benefit Includes

### Type 1 Benefits (GST inclusive Expenses):

- Household Utility Bills
- Vehicle Running Expenses, e.g. Fuel, Maintenance, Insurance
- Home & Contents Insurance
- Domestic Travel

Using these expenses as evidence will result in the reduction of the overall benefit amount able to be packaged under the capped limit.

Salary Options recommends using the **Salary Packaging Card** to pay for these expenses.

### Type 2 Benefits (GST Free Expenses):

- Mortgage Repayments
- Personal/Car Loan Repayments
- Rent
- Credit Card Purchases
- School Fees / HELP Payments
- Child Care Expenses
- Medical & Dental Expenses
- Council & Water Rates
- Private Health & Life Insurance

Either one or multiple of the above expenses evidence can be submitted to make up the value of your yearly capped limit amount.



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## *Factsheet (Continued)*

### **Benefit Includes** *(Continued)*

#### **Type 3 Benefits (Fringe Benefit Tax Exempt)**

- Meal Entertainment
- Holiday Accommodation & Venue Hire
- Remote Area Housing (Conditions Apply)
- Novated Car Lease (Conditions Apply)
- Employee Superannuation Contributions (Salary Sacrifice)
- Work Related Notebook or Laptop Computer (Conditions Apply)

The above type 3 expenses are exempt from FBT and can be salary packaged on top of the capped limit amount.

### **Benefit Does Not Include**

The salary packaging benefit offered is related only to the expenses incurred by the employee, their partner or their dependant.

Evidence submitted does not have to be in the current FBT year, however Salary Options recommends use of evidence no older than 12 months.

Evidence cannot be resubmitted and reused.

Evidence can only be submitted for expenses that you, the employee have personally paid for.

### **Evidence Required**

For most "fixed" expenses, one copy is sufficient evidence to enable Salary Options to calculate the regular fixed deductions for salary packaging:

<b>Fixed Expenses</b>	<b>Evidence Required</b>
Mortgage	Loan statement showing minimum payment required
Personal/Car Loan	Loan statement showing minimum payment required
Rent	Tenancy agreement or statutory declaration or letter from landlord stating amount & frequency due
Health Insurance	Payment schedule or letter from insurer

If the expenses vary, i.e. redraw loan, council & water rates, or credit card purchases, a copy of the ongoing bills/payments are required by Salary Options to determine the value of the evidence:

<b>Variable Expenses</b>	<b>Evidence Required</b>
Credit Card Purchases	Copy of statements showing all purchases made (cash advances not included)
Redraw and Interest Only Loans	12 months bank statements showing interest paid

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## *Factsheet (Continued)*

### Evidence Required (Continued)

Variable Expenses (continued)	Evidence Required
School Fees	Copy of invoice for each term
Child Care	Copy of tax Invoice or statement of account
Rates	Annual rates notices
Medical or Dental Expenses	Copy of invoice for each visit

### Evidence Submission Procedure

**A)** Your evidence should be supplied with your Salary Packaging Application Form to commence salary packaging arrangement.

Simply attach to form and mail, fax or scan/email to Salary Options.

**OR**

**B)** Download Additional Evidence Form from Salary Options website (see link below) and:

**1.** Complete form as requested:

- Your contact details
- List the expenses you are providing evidence for
- Total your evidence for each expense
- Attach evidence to the form

**2.** Sign declaration and post, fax or scan/email to Salary Options

### Declaration

The declaration is necessary to confirm that the claimant acknowledges the compliance requirements.

If you do not sign the declaration or fail to complete the form, your claim will not be processed, it will be returned to you for completion.

### Website Links

[www.salaryoptions.com.au/salaryoptions/additional\\_evidence\\_form/](http://www.salaryoptions.com.au/salaryoptions/additional_evidence_form/)