

In House Childcare Benefit

Salary Packaging - give yourself a pay-rise!



What is Salary Packaging?

Salary Packaging is a tax effective way to receive your salary as a combination of income & benefits that allows you to deduct some of your pre-tax income & use it to pay for a variety of benefits.

By reducing your pre-tax income you can reduce the amount of income tax you pay & in turn increase the amount you take home each pay day.

In-House Childcare Benefit

An employee may salary package childcare fees in relation to childcare supplied by a registered childcare provider as an exempt item if it is located on the employer's premises.

Who can package this benefit?

Any employee who works within the company. This is paid by the employer directly into the employee's bank account.

How long will this take?

Depending on your employer's payroll, deductions can be set up within a matter of days and you can be on your way to savings before your next pay cycle.

How would this help me?

The In-House Childcare benefit will save you money every week, as well as time. Imagine the convenience of only having one stop on the way to work in the morning, rather than driving all over town before starting your day.

Anna works at a University and has 2 children.

Anna works 5 days a week at a University . She is a single mother of 2 children, Laura (2) and Kate (4). Usually, Anna would drop the two girls at day care in the mornings 4 days per week, however this is quite out of her route to work. Anna's workplace has a childcare, and with Salary Packaging, Anna has the opportunity to pay for the childcare out of her pre-tax salary.

For example:

Anna has an annual salary of **\$110,000**

Anna is **taxed** on **\$110,000**

Anna's weekly **tax burden** is **\$588.66**

Anna's weekly **take-home pay** is **\$1,526.72**

Anna pays childcare fees of **\$591.54 per week or \$30,760 per annum**

Anna's weekly take-home pay after using the In-House Childcare benefit is \$1,156.67, however she has saved \$11,835.50 per year

Joe works for a local council and has one child.

Joe has an 18 month old boy named Oliver who needs childcare 3 days per week. Recently, they boy relocated to to a new town and are unfamiliar with the area. Fortunately, Joe's company provides in house childcare, which he can pay for out of his pre-tax income. This is convenient and cost saving for Joe, as well as giving them both peace of mind to be able to check on Billy whenever necessary.

For example:

Joe has an annual salary of **\$68,500**

Joe is **taxed** on **\$68,500**

Joe's weekly **tax burden** is **\$291.91**

Joe's weekly **take-home pay** is **\$1,025.39**

Joe pays childcare fees of **\$185.77 per week or \$9,660 per annum**

Joe's weekly take-home pay after using the In-House Childcare benefit is \$899.71, however he has saved \$3,442.47 per year

By utilising the in house child care benefit packaging, both Anna and Joe have increased their savings. Find out if your employee offers this today, and contact us to get started.

How Do I Get Started?

Call SPA on 1300 786 664

Or email us at

enquiries@salpaca.com.au

1/10 Hudson Road, Albion QLD 4010

1300 786 664

enquiries@salpaca.com.au

ABN 53 009 643 485

www.salpaca.com.au



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