

# Superannuation Packaging

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.

## What can I package?

If you earn more than \$37,000, salary packaging superannuation can be a good way to grow your super. You can salary package any additional voluntary contributions you make to your nominated superannuation fund. These contributions are taxed in the super fund at a maximum rate of 15%.

## How much can I package?

The concessional contributions cap is a certain amount that you cannot go over when contributing to your super. Most people can contribute up to \$30,000 a year, including your employer's 9.5% guarantee contribution each pay cycle. If you are closer to retirement, there are higher concessional caps. If you are aged 50 and over you can contribute an additional \$5,000 a year, as well as the \$30,000 and 9.5% contribution.

### Example 1

Sarah is 28 years old and earns \$42,500 a year as a marketing manager. Her employer pays her 9.5% super per pay cycle, however she feels it is a good idea to add more to her superannuation fund to prepare her for the future. Sarah has decided to add an extra 5% to her super.

#### For example:

Sarah earns \$42,500 per annum  
Sarah is taxed \$36,290 per annum  
Sarah's tax burden per week is \$119.41  
Sarah's take home pay is \$697.89 per week  
Sarah pays an extra 5% to her super per pay cycle of \$40.87

**Sarah saves \$750.37 per annum using the SPA benefit**

### Example 2

Phil is 55 years old and earns \$98,000 a year as a construction manager. As he is getting closer to retirement, Phil wants to add an extra 12.5% per pay cycle, on top of the 9.5% he is already paid by his employer. This would allow his super contributions to come to 21.5% per pay cycle.

#### For example:

Phil earns \$98,000 per annum  
Phil is taxed \$26,167 per annum  
Phil's tax burden per week is \$503.21  
Phil's take home pay is \$1,381.40 per week  
Phil pays an extra 12.5% to his super per week of \$235.58.

**Phil saves \$4,797 per annum using the SPA benefit**

**Phil and Sarah have both saved using the SPA benefit by adding to their superannuation using pre-tax dollars. Find out if your employer offers this today, and contact us to get started.**


## How Do I Get Started?

Call SPA on 1300 786 664

Or email us at

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