



EXEMPT BENEFIT ITEM 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.

EXEMPT BENEFIT ITEMS

The Fringe Benefits Tax is a tax on certain benefits from your employer which do not include cash salary or wages. Within salary packaging, there are some items which are exempt from this tax.

EXEMPT ITEMS:

- Self-Education Expenses
- Disability/Income protection
- Professional membership/subscriptions
- Child care fees (in house)
- Work-Related Travel
- Home office expenses
- Airport lounge membership

PORTABLE ELECTRONIC DEVICE (PED)

Each FBT year, you can purchase a laptop or portable electronic device per year if it is used for work-related purposes. When packaging this item, the following considerations must be made:

- Only software included in the cost of the iPad / Tablet / Laptop / notebook can be packaged. Separate or subsequent software purchases may not be included within the salary package.
- It must be used primarily for work purposes. Primary use for work related study is eligible.
- Only one laptop computer may be packaged within any FBT year (1st April - 31 March)
- Only one iPad / Tablet may be packaged within any FBT year (1st April - 31 March)

EXAMPLE 1

Katie earns an annual salary of \$88,500 working for an advertising agency in Brisbane. She is looking to buy a new MacBook Pro as it would assist her greatly with her creative job. A new series 15 inch MacBook Pro with 256GB of storage will cost \$2,399.

FOR EXAMPLE:

Katie's salary is \$88,500 per annum

Katie is taxed on \$86,219

Katie's tax burden per week is \$431.96

Katie's weekly take home pay is \$1,269.96 per week

Katie pays \$2,399 for her laptop

Katie's weekly take-home pay after the laptop is \$1,243.20

KATIE SAVES \$21.76 PER WEEK THROUGH SPA

EXAMPLE 2

Jack earns an annual salary of \$62,780 as a real estate agent in a Brisbane firm. He is looking to purchase a new tablet. A new Microsoft Surface Pro 4 Core M 128GB tablet will cost \$999.

FOR EXAMPLE:

Jack's salary is \$62,780 per annum

Jack is taxed on \$61,772

Jack's tax burden per week is \$253.96

Jack's take home pay is \$953.34

Jack pays \$999 for his tablet

Jack's take-home pay after the laptop is \$940.64

JACK SAVES \$12.70 PER WEEK THROUGH SPA

Jack can pay for this device using pre-tax dollars which will then save him \$12.70 per week. Instead of spending \$999 upfront for his tablet, he takes the money out of his salary weekly, saving him money with every device purchased.

By utilising the exempt benefit item packaging, both Jack and Katie have increased their savings. Find out if your employer offers this today, and contact us to get started.

See how SPA can help
decrease your expenditure
whilst saving you income tax each pay cycle!



Vehicles



Superannuation



Insurance



Mortgage



Rent



Work Equipment



Education



Memberships

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