

# Jessie McPherson Private Hospital FBT Cap Threshold Increase FAQs

August 2023

## FRINGE BENEFITS TAX (FBT) AND JESSIE McPHERSON PRIVATE HOSPITAL

### What does the ATO have to do with FBT and employer capping limits?

In accordance with the Fringe Benefits Tax (FBT) Act, the Australian Tax Office (ATO) determines the FBT capping amounts employers may offer their employees based on numerous factors, including the type of organisation and activities undertaken by the employer.

### Which FBT bracket does Jessie McPherson Private Hospital fit within?

Under the FBT Act, Jessie McPherson Private Hospital is now classified as an FBT tax-exempt charity, meaning they can offer their employees certain Fringe Benefits, up to a maximum FBT capped threshold value, without attracting Fringe Benefits Tax.

### What did the previous ATO FBT ruling mean for Jessie McPherson Private Hospital and its people?

As a result of the ATO's current interpretation of the FBT Act, Jessie McPherson Private Hospital was deemed a 'not-for-profit' hospital, which saw the lower capped threshold amount applied to all eligible employees.

Specifically for Jessie McPherson Private Hospital, this meant the FBT capped threshold amount offered to their people was \$9,010 each FBT year.

### Is Jessie McPherson Private Hospital considered a 'private' or 'public' hospital when it comes to FBT capping thresholds?

Jessie McPherson Private Hospital sought a Private Tax Ruling from the Australian Tax Office (ATO) to successfully challenge their status from 'public hospital' to 'private hospital'. As a result, Jessie McPherson Private Hospital employees can now take advantage of an increased salary packaging capping limit from \$9,010 to \$15,900 each Fringe Benefits Tax (FBT) year. This means that if you are an eligible employee, you will be able to salary package more, and potentially reduce your taxable income.

### When is this ruling effective from?

This revised ATO Tax Ruling is effective from 1 April 2023 until 31 March 2026, at which time Jessie McPherson Private Hospital will apply to extend this ruling.



## TELL ME MORE ABOUT SALARY PACKAGING

### What is salary packaging?

Did you know that paying for things with money from your salary before tax could help you to pay less tax and potentially give you more spending money?

Known as salary packaging and permitted by the ATO, salary packaging effectively affords you the opportunity to pay for certain expenses with your pre-tax dollars.

As an employee of a charitable organisation, salary packaging could help Jessie McPherson Private Hospital employees to reduce their income tax by claiming benefits, up to a maximum FBT capped threshold amount, on some of the following items:

- Mortgage or rent payments
- Personal loan repayments
- Everyday living expenses, such as groceries, clothes, gas and electricity
- Private health insurance premiums
- School tuition fees
- HELP repayments, and more.

### Who are Maxxia?

Through our 11 year working relationship to date, Maxxia is proud to continue partnering with Jessie McPherson Private Hospital as a preferred salary packaging provider to help you maximise your benefits with Jessie McPherson Private Hospital's new higher FBT capped salary packaging threshold amount.

### Why Maxxia?

At Maxxia, we know Jessie McPherson Private Hospital is committed to offering you great workplace benefits to recognise and reward you for your continued hard work. And to support this, Maxxia is proud to partner with Jessie McPherson Private Hospital as your chosen workplace benefits partner to administer your salary packaging program.

With over 30 years' industry experience as Australia's largest salary packaging provider, Maxxia specialises in providing workplace benefits with a proven record of delivering:

- On-time payments
- 24/7 access to your online account
- Exceptional customer service
- Genuine tax-savings which help our customers do more with their money
- Customer Advocate support to assist in and address your concerns.

### How much does it cost?

In order for Maxxia to administer your salary packaging arrangements, all fees for this service are paid to Maxxia from your pre-tax salary and include GST.

For those of you already salary packaging with Maxxia – great news, there'll be no additional charges to the amount you currently pay.

If you're new to salary packaging with Maxxia, please note your fees will be discussed with you when you set up your account with us.

### Am I eligible to access Jessie McPherson Private Hospital's new higher FBT capped threshold amount?

As a Jessie McPherson Private Hospital employee, please note you could be eligible to salary package if you're employed as a:

- Full time employee
- Permanent part-time employee
- Casual employee

**NOTE:** If you have a HECS/HELP debt, you could still salary package and save. To learn more, view our [Maxxia HECS/HELP FAQs](#) or speak to Maxxia to find out more.

### Is there a way to see what effect the increase may have, including if I have HECS/HELP?

You can visit our Salary Packaging Calculator\* at [maxxia.com.au/calculator/salary-packaging](https://maxxia.com.au/calculator/salary-packaging).

Select 'Charitable organisations' as your sector and follow the prompts to receive an estimate of your new potential tax benefit of salary packaging.

\*By using this calculator you agree to our terms and conditions below:

- This calculator provides general information only by using some generic taxation scenarios and some publicly available general material published on the ATO's website. It does not offer a complete overview of applicable taxation methods;
- This calculator does not use or consider any individual's own financial circumstances at all;
- All users must not rely on or consider any results generated by the calculator as personal taxation advice;
- Maxxia is not licensed to provide taxation advice.

Maxxia strongly recommends all users seek their own personal taxation advice from a licensed tax adviser before making any financial decisions.

A photograph of a woman with curly hair, smiling and looking towards the right. She is wearing a light blue collared shirt. The photo is partially obscured by a white diagonal shape that separates it from the main text area.

### When does a typical FBT Year run?

Each FBT Year runs from 1 April to 31 March, meaning you have twelve months to spread out your costs to make it manageable to maximise your full FBT capped threshold amount so you can get the most out of salary packaging.

### Will I be able to accelerate my payments to maximise my cap for the current FBT year?

Great question! As the new 2023-24 FBT Year has now commenced as at 1 April 2023, you can accelerate your payments each pay cycle to help maximise your increased FBT capped threshold amount for the remainder of the FBT Year.

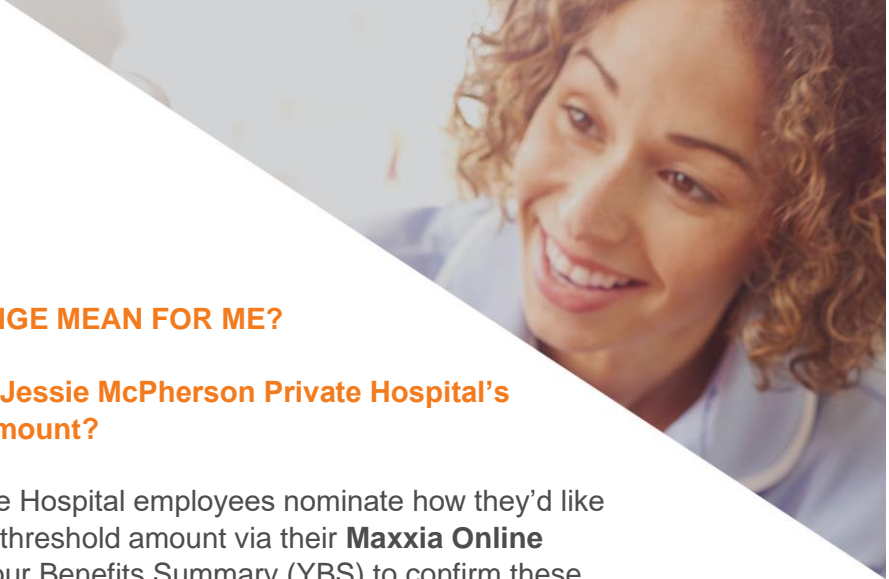
So regardless of the date you switch to Jessie McPherson Private Hospital's new higher threshold amount, you'll still be able to receive the full benefit for the current FBT year.

For those of you wishing to take advantage of this option, please note an accelerated amount of your choosing can be applied on top of the amount you currently package each pay cycle, up to the end of the current 2023-24 FBT Year (31 March).

**NOTE:** You can choose to start your accelerated payments any time before March 2024, recognising the additional amount will vary depending on when you choose to start.

### What happens to accelerated payments on my account when the new FBT year commences?

From the start of the next 2024-25 FBT Year, your payments will automatically commence with a regular rhythm spread out across the fortnightly amount you choose over the subsequent 12-month FBT year period.



## WHAT COULD THIS POSITIVE CHANGE MEAN FOR ME?

### When can I expect my pay to reflect Jessie McPherson Private Hospital's new higher FBT capped threshold amount?

Once eligible Jessie McPherson Private Hospital employees nominate how they'd like to spend their new higher FBT capped threshold amount via their **Maxxia Online** account, Maxxia will email a copy of Your Benefits Summary (YBS) to confirm these changes to your packaging arrangement and advise when you can expect them to take effect.

### What if I change my mind?

Once you submit your salary packaging arrangement preferences, please note you can continue to make changes.

### What does this mean for me?

Thanks to our partnership with Jessie McPherson Private Hospital, Maxxia as your preferred salary packaging partner is proud to offer you a range of benefits you can now claim under Jessie McPherson Private Hospital's new higher FBT capped threshold amount!

Keep reading to learn more about each benefit listed below:

- Maxxia Wallet
- General living expenses
- Regular payments, such as mortgage/rental and personal loan repayments

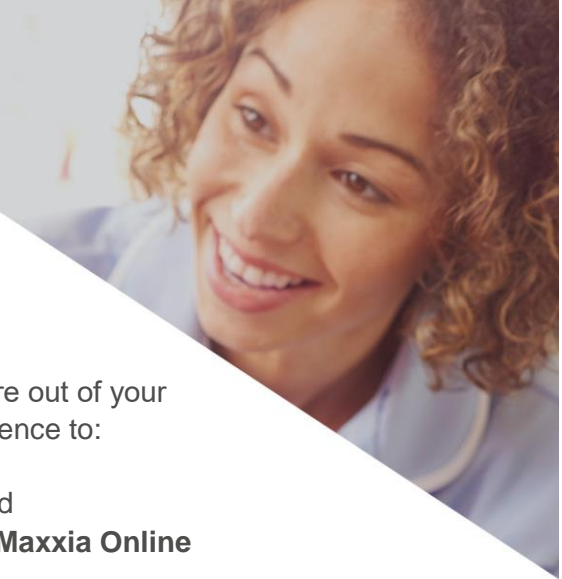
### What is the Maxxia Wallet?

The Maxxia Wallet offers you simple access to claim against your general living expenses to help you to live, spend and save every day.

Whether you're out and about, or processing payments online or over the phone, using the Maxxia Wallet to pay for the following general living expenses has never been easier:

- Groceries
- Shopping
- Fuel
- Bills
- Dining out





Thanks to the innovative Maxxia Wallet, you'll be able to get more out of your income with our enhanced technology, functionality and convenience to:

- Manage your general living expenses with one smart card
- View real-time card balances via the Maxxia app or visit **Maxxia Online**
- Tap and pay with your smartphone
- Enjoy retailer and restaurant discounts, including entertainment and wellbeing offers with our Everyday Savings program.

To learn whether the Maxxia Wallet is right for you, download a copy of the **Product Disclosure Statement (PDS)**.

### **Am I able to salary package some of my regular payments?**

Perhaps instead you have some regular expenses you'd like to salary package to help you maximise Jessie McPherson Private Hospital's new higher FBT capped threshold amount. Regular expenses include:

- Home loan payments
- Rental payments
- Personal loan payments

### **Am I eligible to salary package a new vehicle as part of my benefits?**

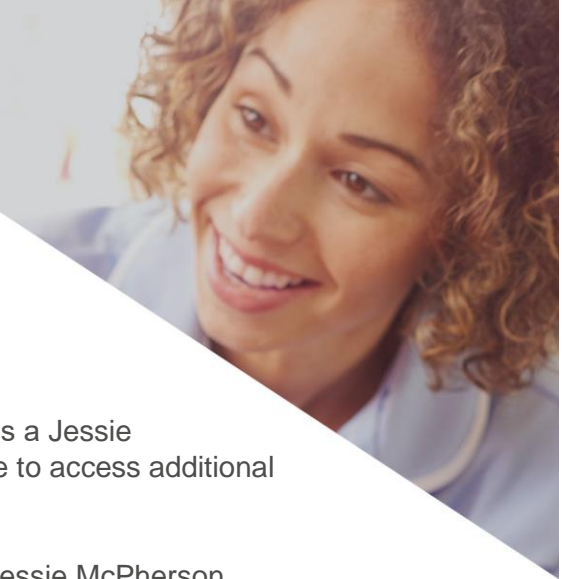
Did you know a Maxxia Novated Lease could offer you considerable tax savings – regardless of whether you drive your car a little or a lot?

With access to an extensive dealership network, Maxxia can help you source competitively priced new and pre-loved vehicles, and arrange a budget to manage your lease repayments and car running costs.

This means you don't have to budget separately for fuel, registration, roadside assistance, insurance, and other annual running costs because it's included in one payment drawn from your salary each pay.

By salary packaging a novated lease, you could benefit from:

- Fast finance approval
- Potential saving on GST on the price of the vehicle
- Convenience – we'll negotiate and deliver a great deal on price for you!
- Discounted tyres
- Regular servicing and pre-authorized maintenance.



### **Are there any other benefits I can claim for?**

Yes! In addition to the great benefits you're eligible to package as a Jessie McPherson Private Hospital employee, you could also be eligible to access additional benefits to salary package above the cap limit.

To learn more about the potential benefits available for eligible Jessie McPherson Private Hospital people, visit [www.maxxia.com.au/benefits](http://www.maxxia.com.au/benefits).

### **Do I have to use the full \$15,900 FBT capped threshold amount each FBT year to claim against my living expenses?**

We know that paying for things with pre-tax money could help you to pay less income tax and potentially give you more spending money.

And while you can choose to package Jessie McPherson Private Hospital's full \$15,900 FBT capped threshold amount each year, did you know you can control just how much (or little!) you'd like to use each pay cycle to cover your eligible living expenses?

### **Can I salary package as a casual or employee on a wage?**

Yes, you can! Salary packaging is available to all contractually employed Jessie McPherson Private Hospital employees who are working in either a full time, permanent part-time, casual, salaried or waged capacity.

Getting started is easy! As the income of casual employees can vary each fortnight, simply get in touch with us to nominate a percentage of your salary you'd like to package each fortnightly pay period, up to a maximum of \$15,900 each FBT year, and nominate one (or more!) eligible living expenses you'd like to claim against.

### **Can I split the increased FBT capped threshold amount across more than one benefit?**

Yes! You can claim one or more eligible living expenses at the same time.

For some, this might include mortgage and rent payments, for others it could be bills or childcare fees. And for others, it could be a mix and match of any of these. Whatever your situation, we have a great range of eligible benefits you can claim against!



## HECS/HELP DEBT

### Can I salary package if I have a HECS/HELP debt?

If you have a HECS/HELP debt, you could still benefit from salary packaging. To learn more about how this could work for you, check out [Maxxia HECS/HELP FAQs](#) or get in touch with Maxxia today, and as always, seek independent financial advice to determine whether this is right for you.

## FAMILY TAX BENEFIT (FTB)

### Could salary packaging impact my Family Tax Benefit (FTB)?

If you're currently eligible to receive reportable government agency entitlements, such as Family Tax Benefit (FTB), it's important to understand that salary packaging some expenses could impact your eligibility to continue receiving these benefits.

As always, we recommend you seek independent financial advice before selecting the salary packaging options which are right for you and your individual circumstances.

## WHAT'S NEXT?

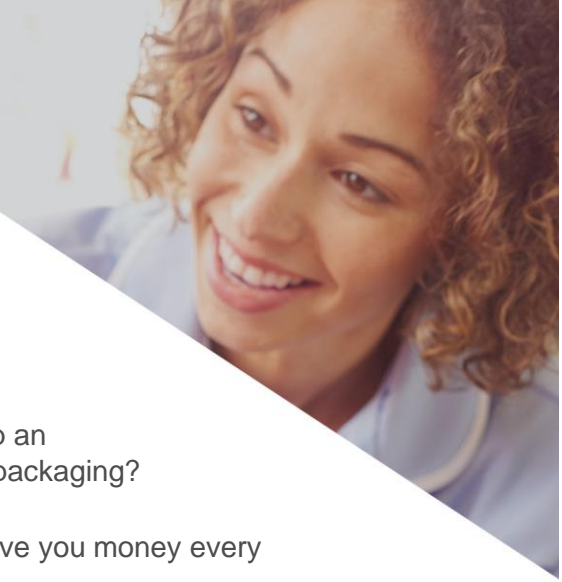
### I'm not currently salary packaging – what do I do next?

For those of you not currently salary packaging with Maxxia, please refer to [Salary Packaging at Maxxia](#) to learn more about how salary packaging could help maximise your take home pay.

Ready to sign up for salary packaging? You can do this by visiting our [online sign-up](#) page anytime, anywhere.

Visit our online [sign-up video here](#) to learn more or to help you with the process.





### How long does it take to get started, and is it worth it?

Did you know on average, it takes less than 15 minutes to set up an account with Maxxia and to start enjoying the benefits of salary packaging?

After all, the small investment in time could help to potentially save you money every year. Now that's worth exploring!

### What's the best way for me to access and manage my Maxxia account?

Thanks to our easy-to-use online tools, accessing your account information, submitting claims and managing funds in your Maxxia account has never been easier!

To get started, download our [Maxxia app](#) or visit **Maxxia Online** to explore and start enjoying the salary packaging benefits available to you!

## LOG IN SUPPORT

### Has the Maxxia Online and Maxxia app log in process recently changed?

Great news! We've recently simplified the way you log in to your Maxxia account. If you have not yet starting using your email address to log in to the [Maxxia app](#) or **Maxxia Online** update your log in details in three easy steps:

- **Step 1:** Enter your email address (preferably not your work one)
- **Step 2:** Verify your email
- **Step 3:** Set your password
- **Step 4:** Continue to log in to your account via Maxxia Online or the Maxxia app with your email address, not your User ID number.

### Forgotten your Maxxia app or Maxxia Online details?

If you've registered for the [Maxxia app](#) or **Maxxia Online** but can't remember your UserID or password, just click on 'Forgot your UserID?' or 'Forgot your password' button to have your details resent to you.

### Where can I find my Maxxia ID details?

At Maxxia, we take your privacy and security seriously.

To access your Maxxia account, you'll firstly need to know your Maxxia ID, which you can easily locate on the upper left-hand corner of your dashboard once you're logged into your account via the [Maxxia app](#) or **Maxxia Online**.



## FIND OUT MORE

### Where can I go to learn more about salary packaging?

For more information and to learn more, visit the [Maxxia website](#) to help you better understand the benefits of salary packaging.

### Who can I speak with to find out more?

For questions or queries regarding salary packaging at Jessie McPherson Private Hospital, please visit the [Maxxia website](#) to connect with us via our 'contact us' page.

### Who can I speak with to find out whether salary packaging is right for me?

While Maxxia has helped thousands of employees lower their taxable incomes and maximise their money, you must consider the financial implications this may mean for you and your very individual situation.

As always, please seek independent financial advice before selecting the options that's right for you.

You acknowledge and agree that any reward you receive is not a salary, however you may need to declare any reward as income for tax purposes.

Please consider whether this information is right for you before making a decision and seek professional independent tax or financial advice. Conditions and fees apply, along with credit assessment criteria for lease and loan products. The availability of benefits is subject to your employer's approval. Maxxia may receive commissions in connection with its services. Maxxia does not act as your agent or representative (or provide you with any advice or recommendations) in respect of the purchase of any vehicle.

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