

# We make it easy to unlock your employer benefits

To find out how you could save on tax with salary packaging under the South Australian Government Salary Sacrifice Arrangements (SAGSSA), read this guide, visit [maxxia-sagov.com.au](http://maxxia-sagov.com.au) or call 1300 123 123.



Department for Education  
and Child Development



Government of  
South Australia

**Maxxia**



You could get more from your salary. Join your workplace benefits program today.



Salary packaging is permitted by the Australian Taxation Office and is provided to you by your employer. It allows you to pay for certain expenses with pre-tax dollars.

Under the South Australian Government Salary Sacrifice Arrangements (SAGSSA), your employer, the Department for Education and Child Development (DECD), offers you salary packaging (also known as 'salary sacrifice') as part of your workplace benefits program.

Before you decide to enter into a salary packaging arrangement, the Government of South Australia and Maxxia recommend that you seek independent financial or other professional advice.

## Why salary package?

By paying for certain expenses from your salary before tax means you could reduce your taxable income so you pay less tax.

And you don't have to be a high income earner to benefit – if you pay income tax, you could save tax and boost your take home pay.

### Current Pay Structure



### With Packaging



## Am I eligible?

Under these salary packaging arrangements, the DECD offers salary packaging to permanent full-time, part-time and casual employees, however casual employees are not eligible to take out a novated lease.

If you have a HECS-HELP debt, you could still salary package and save – talk to Maxxia to find out more.

## What can I choose to salary package?

You can select from a range of benefits which are permitted each Fringe Benefits Tax (FBT) year (1 April – 31 March).

## Types of expenses you could package

- a car via a novated lease<sup>1</sup>
- additional superannuation contributions<sup>2</sup>
- work related items (laptops and tablets)<sup>3</sup>
- work related journal subscriptions and self-education
- disability or income protection insurance
- financial advice fees (for advice relating to salary packaging).

## How much does it cost?

Maxxia administers all your salary packaging arrangements. Fees for this service are paid to Maxxia from your pre-tax salary and include GST.<sup>4</sup>

Benefit	Fortnightly Fee (Incl. GST)	Annual Fee (Incl. GST)
Salary packaging work-related expenses	No charge	No charge
Salary packaging a single non-FBT item such as additional superannuation	\$2.12	\$55
Salary packaging a novated lease only	\$6.92	\$180
Salary packaging any combination of benefits	\$7.30	\$190
Novated lease vehicle management fee (in addition to the salary packaging fee)	\$7.61	\$198

Fees and charges current as at 1 October 2016.

## Novated leasing

If you're looking for a convenient way to get into a car of your choice, a novated lease could be a great option – and it could offer potential tax savings no matter if you drive your car a little or a lot.

You may even be eligible to take out a second novated lease for another family member.

### How it works

A novated lease is a three-way agreement - between you, the DECD, and your choice of financier - to lease your chosen car, typically for between one and five years. Because you pay for the lease repayments and running expenses from part of your pre-tax salary, you could potentially save on tax.

You also have a choice of the type of lease that suits your needs – either a fully maintained or a self-managed novated lease.

### Fully maintained novated lease

With a fully maintained lease, Maxxia can help you source a new or used car of your choice at a competitive price using their vast purchasing power. Maxxia can also tailor a budget for you that includes your lease repayments and car running costs. This means you don't have to budget separately for fuel, registration, roadside assistance, insurance and other running costs throughout the year because it's included in one easy payment drawn from your salary each pay. And you can adjust this budget at any time to meet your change in driving habits.

With a fully maintained novated lease, you could also benefit from:

- no GST on cars purchased through a dealership
- a choice from Maxxia's panel of preferred financiers, with fast finance application processing
- packaging a new, second hand or even your existing car<sup>5</sup>
- a choice of fuel cards – Caltex, BP and Shell
- convenience – Maxxia can negotiate a great deal on a car of your choice using a preferred dealer network, or you can source the car through your own dealer
- discounts on tyres
- competitive car insurance options, including comprehensive, third party, gap and lease protection – or you can choose your own
- regular servicing from a preferred service network, or choose your own repairer and claim the costs back from Maxxia
- your car repair invoices pre-authorised by Maxxia's maintenance team to help ensure you don't pay for things you don't need
- a dedicated consultant to guide you through the process
- Insurances – we offer, as Authorised Representative of various insurers, a range of insurances to keep you and your car covered. From accident damage and write-off, to loss of income and lease pay-out, we can help you find cover for an unexpected event. To find out more about our options and details of insurers, visit [maxxia.com.au/insurance](http://maxxia.com.au/insurance).

Potential tax benefit of salary packaging a car

	Annual Salary (ex. super)	Net Annual Benefit	Net Fortnightly Benefit
If you lease a car to the value of \$34,000 on a 4 year term, at 35% residual value and travel 15,000 kms annually	\$45,000	\$2,836	\$109
	\$60,000	\$2,836	\$109
	\$85,000	\$2,836	\$109
	\$100,000	\$3,161	\$122
	\$115,000	\$3,161	\$122

Please refer to back page for assumptions.

### Self-managed novated lease

You also have the choice to salary package a self-managed lease. Unlike a fully maintained lease, you take full control of the day-to-day management of your lease - from organising your own finance and insurance, to setting your own budget to pay for the lease repayments and running costs (which you will need to pay and have reimbursed when sufficient funds are available in your account).

For more information on leases and to see which option is right for you, visit [maxxia-sagov.com.au](http://maxxia-sagov.com.au).

## Your workplace benefits partner

Maxxia works in partnership with the Government of South Australia to help you make the most of your salary packaging benefits through:

- Maxxia's local staff and central Adelaide based Customer Service Centre
- A National team of specialist SA Government Customer Care Consultants
- 24/7 access to your online account
- Regular visits to DECD sites to deliver information sessions and conduct onsite personal consultations.

 Call 1300 123 123

 Visit [maxxia-sagov.com.au](http://maxxia-sagov.com.au)

Drop in during work hours Monday to Friday at 45 Pirie Street and talk to a Maxxia team member, or call our local office to organise a visit to your workplace on 08 8461 8585.

## Putting service first

With a Service Guarantee, Maxxia promises to deliver a simple set up. The application process is easy, and you will be guided through each step.

Plus, you can count on personal service, talking to a real person either face to face or over the phone. Learn more about the Service Guarantee at [maxxia-sagov.com.au](http://maxxia-sagov.com.au).



## Customer advocacy and complaints procedure

As part of Maxxia's ongoing commitment to excellent customer service for all DECD employees, a specialist Customer Advocate role sits independently of Maxxia's operations. They ensure Government of South Australia employees remain at the forefront of any decision made. If a complaint is made, Maxxia's Customer Care team will attempt to resolve the matter. However, if you feel the issue isn't resolved to your satisfaction, the Customer Advocate can be engaged.

For further information on the complaints procedure and Customer Advocate, visit [maxxia-sagov.com.au/your-feedback](http://maxxia-sagov.com.au/your-feedback).

## Additional insurances

Maxxia can also assist you with competitively priced car and home and contents insurance. Go to [maxxia-sagov.com.au](http://maxxia-sagov.com.au) for more information.

## Getting started

For salary packaging and novated leasing:

- Step 1** Call 1300 123 123.
- Step 2** A customer service representative will guide you through your benefit options.
- Step 3** Your salary packaging arrangements will be set up as directed by you.



### Interpreter service

If you need to talk with Maxxia and have difficulty speaking or understanding English, call the Telephone Interpreter Service on 131 450 and ask them to call Maxxia on 1300 123 123 Monday to Friday, 8:00am to 7:00pm (AEST).



#### Notes:

1. Only permanent part-time and full-time staff may be eligible to salary package a novated lease.
2. Additional superannuation contributions from pre-tax salary are subject to 15% contributions tax. The taxation of additional superannuation contributions via salary packaging may differ from the taxation of additional superannuation contributions from post-tax salary. Additional superannuation contributions will be reported on an employee's annual payment summary and will be used to assess an employee's eligibility for a number of government benefits, or liability for certain payments.

Caps for concessional superannuation contributions may apply – please refer to [www.ato.gov.au](http://www.ato.gov.au) for up to date information. However, there is no limit on additional superannuation contributions to a complying South Australian Government Superannuation Fund.

3. Only one laptop and one iPad or tablet can be salary packaged per FBT year and must be used primarily for business purposes.
4. Your employer will charge \$40.00 plus GST (\$44.00) to be paid direct from your salary post tax on the commencement of any Salary Sacrifice Agreement.
5. If your existing car is acceptable to the lease provider. This will depend on factors such as the market value.

#### Assumptions

**Novated Lease example:** The estimated potential tax benefit is based on the assumption that you would have paid for the lease from your post-tax salary as opposed to salary packaging those payments from your pre-tax salary or a combination of your pre and post-tax salary. The estimated annual benefit will vary depending upon salary, employment circumstances, selected

benefits and applicable tax treatment. The base value of the vehicle for FBT purposes is \$33,606. The total amount financed is \$32,017 including on-road costs. The estimated annual operating costs are \$14,287 which includes estimates of fuel, maintenance, tyres, registration, comprehensive insurance and fleet management fee. GST of 1/11th is payable on your ECM contributions. All ITCs are paid to you as salary by your employer. State Stamp Duty rates apply. FBT rates effective 1 April 2017 and PAYG tax rates effective 1 July 2017 have been used.

**Important information:** This general information doesn't take your personal circumstances into account. 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 in respect of the purchase of any vehicle. Maxxia does not provide any advice or recommendation in relation to the purchase of any vehicle. Maxxia Pty Ltd | ABN 39 082 449 036 | Authorised Representative (278683).

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