



Employee Benefit Management - Flexible Remuneration

PACK FACT

SALARY PACKAGING IN NSW HEALTH (FREQUENTLY ASKED QUESTIONS)

What are my savings and how much will I receive?

The amount of savings you receive will be based on your annual salary and the amount you are packaging. As we are paying the benefit from your pre-tax salary, a tax saving is then created. An example of how this works is displayed in the case study below.

What does it cost me?

There is a \$55 initial fee plus an extra \$55 if you see a Salary Packaging Officer. There is also \$96.25 fixed fee paid over the number of fortnights you are packaging for. For example, over 26 fortnights you will pay \$3.70 per fortnight ($\$96.25 \div 26$)

What is the Health Service Saving (HSS)?

The HSS is your employer's equal share of the tax you save by packaging. This arrangement was agreed as part of the negotiations for the introduction of salary packaging. Every fortnight an amount which forms part of your pre-tax deduction is paid to your employer.

Case Study: An employee of NSW Health receives a gross fortnightly income of \$1,500. They wish to package mortgage payments of \$330 over 26 fortnights.

Before Packaging

GROSS INCOME **\$1,500**

less

TAX **\$336**

equals

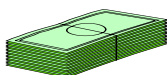
TAKE HOME PAY **\$1,164**

less

MORTGAGE PAYMENT **\$330**

equals

CASH REMAINING **\$834**



After Packaging

GROSS INCOME **\$1,500**

less

PACKAGED **\$396.48**

\$330 Mortgage

\$62.78 HSS

\$3.70 Admin Fee

equals

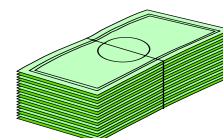
TAXABLE INCOME **\$1,103.52**

less

TAX **\$210**

equals

CASH REMAINING (Take Home Pay) **\$893.52**



DISCLAIMER

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