

## Salary Packaging and other extra benefits at BCNA

The taxation laws provide generous tax concessions for not-for-profit organisations. One such concession is an exemption from Fringe Benefits Tax (FBT). This means that as an employee of BCNA, part of your salary can be paid as a reimbursement of your personal expenses and no income tax is payable on this money. In effect, part of your wage is paid tax free each pay day.

There is a salary packaging limit, and for employees of BCNA it is \$15,900 per FBT year (1 April – 31 March).

This 'tax free' amount is in addition to the tax-free threshold for income.

### How does it work?

When you salary package, money is *deducted* from your salary '**pre-tax**'. You pay tax only on the remaining portion of your **salary**, not the **salary packaged** money. The salary packaging money is then paid to you (tax free) each pay day. See the **example** below.

### What does that mean on pay day?

As a result of the salary packaging benefit, employees at BCNA receive two payments each pay day. The salary packaging money is paid into the same bank account as your pay (normally). Once the two payments are added, this is your new take home pay and (as shown in the example below) can be up to \$200 cash extra per pay depending on what you package.

See below an example of a comparison between normal salary and salary with salary packaging applied for a salary of \$75,000 per annum.

Annual cash salary	75,000	75,000
Fortnightly gross wages	2,884.62	2,884.62
Less		
Standard packaging amount	-	611.50
Admin Fee (paid to Advantage)		10.00
New Gross (Taxed)	2,884.62	2,263.12
Less tax paid to ATO	672.00	456.00
Net income paid to employee		
per fortnight	2,212.62	2,418.62
per annum	57,528.00	62,884.00
1. Net Salary Paid - Pay Day (Payroll)	2,212.62	1,807.12
2. Salary Packaging - Next Day (Advantage)		611.50
Total	2,212.62	2,418.62

Employees at BCNA benefit from a range of extra benefits to support us in doing our work. In recognition of the extra work that staff in the organisation do to support BCNA events and programs we are provided with Reward Leave. This extra leave (average of 4 extra days) is taken over the Christmas period when the office is closed. We are also given a day off when our birthday falls on a one of our working days.

More information on salary packaging at BCNA can be found at the [Advantage Salary Packaging Website](#)