



AGREEMENT TO COMMENCE SALARY SACRIFICE SUPERANNUATION ARRANGEMENTS

This information is to be read in conjunction with the Salary Sacrifice Guidelines and Conditions. The University will advise staff of updates and changes to the Guidelines and Conditions via the HR web page. It is the employees' responsibility to ensure that the amendments have been read and understood.

The information in this package is to provide basic information about salary sacrifice of superannuation contributions (also known as pre tax contributions). The term salary sacrifice is referred to throughout this package as pre tax.

Please note that pre tax contributions may affect the level of taxation payable on your future superannuation benefits. It is recommended that independent financial advice is sought prior to signing a salary sacrifice agreement.

Whilst care has been taken to ensure that the information presented in this document is accurate, the University will not bear liability or responsibility for any action taken by employees as a result of the information that has been provided.

WHAT IS A PRE TAX CONTRIBUTION?

This is an arrangement between the employee and the University, whereby superannuation contributions are made from **pre tax** salary. Effectively, this reduces taxable income by the amount nominated. By accepting this arrangement, contributions are considered as an 'employer' contribution and is subject to a Contributions Tax of 15% (refer to the Taxation information below).

TAXATION

CONTRIBUTIONS TAX

Under existing legislation, a Contributions Tax of 15% is deducted from **pre tax** contributions and paid to the Australian Taxation Office.

TAX ON SUPERANNUATION

Superannuation benefits accessed after age 60 are tax free regardless of how these are taken (eg, lump sum or income stream).

Superannuation benefits taken as a lump sum up to age 59 have a tax free threshold applied (\$140,000 as at 1 July 2007) to the taxable portion. Amounts above this threshold are taxed at 15% plus 1.5% medicare levy.

NOTE: If the superannuation benefit is taken as an income stream (eg, indexed or allocated pension) different tax rules will apply. Due to the complex nature and constant changes to the taxation rules applicable to retirement, it is recommended independent financial advice is sought.

Contributions paid 'after tax' (that is they have already been taxed prior to entry into the fund) remain tax free regardless of the amount and how it is taken in retirement.

NOTE: Super SA is an untaxed fund and has different tax rules. Members should visit www.supersa.sa.gov.au for further information on the taxation arrangements of the fund.

VOLUNTARY CONTRIBUTIONS

Employees may make voluntary contributions from their pre tax salary into UniSuper, Super SA, a private/retail superannuation fund (eg AMP, MLC, AXA etc) or a self managed superannuation fund.

A fortnightly dollar amount or percentage can be elected. This arrangement can be amended at any time however salary sacrifice arrangements cannot be backdated.

OTHER ISSUES TO CONSIDER

1. Will the fund charge an administration fee?
2. Can you vary the contribution amount paid to the superannuation fund?
3. How will the salary sacrifice contributions be recorded on fund statements?

The University reserves the right to accept or decline any request to salary sacrifice private superannuation contributions.

A University administration fee will apply for arrangements to a private or self managed fund. This fee will be deducted from the employee's fortnightly pay as a pre tax deduction. There is no fee associated with arrangements to UniSuper or Super SA.

WHAT TO DO NEXT?

The following criteria and process will need to be met before the University accepts any request to salary sacrifice superannuation contributions.

UniSuper

- complete the HRIS046 Agreement form at the end of this document

Super SA

- complete the HRIS046 Agreement form at the end of this document and
- complete the Super SA 'Notification of Salary Sacrifice Superannuation Contributions through External Provider' form

Private/Self Managed Funds

- complete the HRIS046 Agreement form at the end of this document
- confirm that salary sacrifice contributions can be accepted by your nominated fund
- the fund can accept fortnightly payments by cheque or EFT
- provide a statement from the Trustee showing it is a regulated and complying superannuation fund, including the fund's Australian Business Number
- provide a copy of the policy or a fund statement showing the employee's membership details
- the University can successfully administer the data requirements of the employee's fund

Return the Agreement form along with any required attachments or information (as stated above) to:

Superannuation Office
Human Resources
Level 3
101 Currie Street
City West

Or fax to: (08) 8302 1812

Please contact the Superannuation Office for any further queries on extension 21667 or 21637 or by emailing superannuation@unisa.edu.au.

NB: To vary or cancel salary sacrifice arrangements please complete the Superannuation Salary Sacrifice Amendment Form HRIS050. This form can be downloaded from the Human Resources web page, or alternatively by contacting Superannuation Office.



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I accept this offer and acknowledge that:

- a) *I have read, understood and accept the Salary Sacrifice Conditions and Guidelines;*
- b) *This arrangement may be revoked by either the University of South Australia or myself, in which case, my salary will be restored to the full level;*
- c) *If nominating a private or self managed fund, acceptance of this arrangement is on the proviso that the fund is a resident regulated superannuation fund; a copy of the policy or fund statement showing membership details can be provided; payment and data requirements of the fund can be successfully administered by the University;*
- d) *I have the option to salary sacrifice additional amounts that might become due and payable to me as a form of remuneration, to my nominated superannuation fund. This is only available if the Salary Sacrifice Agreement has been completed and signed prior to my knowledge of an entitlement to receive a specified payment. The Superannuation Office must be notified prior to payment being made to ensure that the contribution is made from pre tax and not after tax salary. I accept that this arrangement is at the discretion of the University and the superannuation fund.*
- e) *Superannuation benefits arising from contributions paid from pre tax salary will be subject to preservation requirements and, when paid, will not be treated as undeducted contributions;*
- f) *Contributions from pre tax salary may be subject to various Government taxes;*
- g) *I have read the information package and understand that it would be in my best interest to seek independent financial advice.*
- h) *I accept full responsibility for the impact that this will have on my financial circumstances and agree that the University of South Australia has no liability for my taxation or any other outcomes resulting from entering into this arrangement;*
- i) *I accept that by electing to make pre-tax contributions as part of this salary sacrifice arrangement my wages may be less than provided for under the University of South Australia's Industrial Instruments and where this occurs, I accept that the University will have no liability in respect of that shortfall.*
- j) *I accept that a University administration fee will apply (for private or self managed fund arrangements) and acknowledge that the University may amend this fee at any time;*

NB: Contributions cannot be backdated, and on receipt of your signed Agreement to Commence Salary Sacrifice Superannuation Arrangements form, pre tax contributions will commence from the next available pay period.



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I would like to commence salary sacrifice arrangements for the following benefit(s).

Please tick (✓) the appropriate box/es

SECTION 1

- UniSuper (8.25% contributions) - **complete Sections 3 & 5**
- UniSuper Additional Voluntary Contributions - **complete Sections 3, 4 & 5**
- Super SA Triple S Scheme Voluntary Contributions - **complete Sections 3, 4 & 5**
- Private or Self Managed Fund – **complete Sections 2, 3, 4 & 5**

SECTION 2

Name of Fund: _____

Super Fund No or ABN: _____

Account/Membership Number: _____

Fund Address: _____

Cheque payable to: _____

Account No: _____ BSB No: _____

SECTION 3

Contributions to commence from pay fortnight: _____
(must not be backdated)

SECTION 4

Amount to be salary sacrificed (pre tax) _____ per fortnight (either \$ or %)

SECTION 5

(Signed) _____ Date _____

Full Name _____ Employee ID _____

Office Use Only

Pay Period Start Date _____ Date Entered _____

Deduction Code _____ Administration Fee _____

Superannuation Officer _____ Checked by _____