



## SALARY SACRIFICE AGREEMENT ONE-OFF PAYMENTS

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.

Due to the complex nature and interpretation of the taxation rules applicable to salary sacrifice, each request to salary sacrifice one-off payments will be reviewed on an individual basis and will be subject to approval.

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](http://www.supersa.sa.gov.au) for further information on the taxation arrangements of the fund.*

**WHAT TO DO NEXT?**

To take up this option please complete the Salary Sacrifice Agreement form located on the last page of this document and return it via internal mail to:

Superannuation  
Human Resources  
Level 3  
101 Currie Street  
City West.

Or fax: (08) 8302 1812

This agreement must be received by the Superannuation Office prior to the time at which an entitlement to receive payment exists. Each application to salary sacrifice will be subject to approval and will be reviewed on an individual basis to ensure that the University is not in breach of their taxation obligations.

***Prior to the payment being made, if it is still the intention to salary sacrifice this amount, it is up to the employee to ensure that this is clearly stated on the payment instruction/authority and to email [superannuation@unisa.edu.au](mailto:superannuation@unisa.edu.au) with their intent.***

**NOTE: If the instruction/authority does not indicate the employee's intent to have it paid as a salary sacrifice superannuation contribution, the payment will be taxed at the employee's marginal rate.**

Acceptance of this arrangement is at the discretion of the University and the superannuation fund.

For any further queries please contact the Superannuation Office on extension 21667 or 21637 or by emailing [superannuation@unisa.edu.au](mailto:superannuation@unisa.edu.au).



## SALARY SACRIFICE AGREEMENT ONE-OFF PAYMENTS

I accept this offer and acknowledge:

- 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, payment will be fully taxed;*
- c) *I understand that the University of South Australia has agreed to pay future one-off payments to my superannuation fund as directed by me;*
- 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 the staff member's knowledge of their entitlement to receive a specified payment. Payment instructions must be forwarded direct to the Superannuation Officer 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, ATO 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 and my superannuation fund 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.*

Please return this form to:

Superannuation  
Human Resources  
Level 3  
101 Currie Street  
City West.  
Fax: 21812

**(Signed)** \_\_\_\_\_ **Date** \_\_\_\_\_

**Full Name** \_\_\_\_\_ **Employee ID No** \_\_\_\_\_

### Office Use Only

**Date Effective** \_\_\_\_\_ **Date Entered** \_\_\_\_\_

**Superannuation Officer** \_\_\_\_\_ **Checked by** \_\_\_\_\_