

**REGISTER OF
ENTERPRISE AGREEMENTS**

ENTERPRISE AGREEMENT NO: EA04/231

**TITLE: Mission Australia (Salary Packaging) Enterprise Agreement
2004**

I.R.C. NO: IRC4/3442

DATE APPROVED/COMMENCEMENT: 25 June 2004

TERM: 12 months

**NEW AGREEMENT OR
VARIATION:** New

GAZETTAL REFERENCE: 3 September 2004

DATE TERMINATED:

NUMBER OF PAGES: 17

COVERAGE/DESCRIPTION OF

EMPLOYEES: The agreement applies to the employees of Mission Australia, 4-10 Campbell Street Sydney NSW, who fall within the coverage of the Teachers (Non-Government Pre-Schools) (State) Award 2002 and the Teachers (Non-Government Early Childhood Service Centres Other Than Pre-Schools) (State) Award 2002

PARTIES: Mission Australia -&- the New South Wales Independent Education Union

MISSION AUSTRALIA (SALARY PACKAGING) ENTERPRISE AGREEMENT 2004

1. Title of Agreement

This Agreement shall be known as the Mission Australia (Salary Packaging) Enterprise Agreement - 2004.

2. Arrangement

Clause No.	Subject Matter
1.	Title of Agreement
2.	Arrangement
3.	Purpose of this Agreement
4.	Scope
5.	Relationship to Parent Award
6.	Salary Packaging
7.	Grievance and Disputes Settling Procedure
8.	Term of Agreement
9.	Harassment and Discrimination
10.	Duress
11.	Signatories to Agreement

Attachment One Mission Australia Fringe Benefits
Scheme Administrative Arrangements

3. Purpose of This Agreement

The parties to this Agreement wish to register an agreement that allows the employees of Mission Australia (who are covered by the awards shown on Attachment One) the option to participate in Mission Australia's salary packaging arrangements.

4. Scope

The parties to this Agreement are Mission Australia and the NSW/ACT Independent Education Union.

5. Relationship to Parent Award

It has been determined by the parties to this Enterprise Agreement that the Agreement shall be read and interpreted wholly in conjunction with the following awards:

Teachers (Non-Government Early Childhood Service Centres Other Than Pre-Schools) (State) Award.

Teachers (Non-Government Pre-Schools) (State) Award.

Where there is any inconsistency, this Enterprise Agreement shall take precedence unless otherwise specified. The employee's base rate of pay and any incremental moves shall will be made as prescribed by the relevant award for that employee.

6. Salary Packaging

6.1 Pay Structure - Employee Options

Option 1 - Salary Packaging:

Mission Australia's permanent employees are eligible to participate in the Mission Australia Fringe Benefits Scheme. Employees who elect to participate in the scheme will be paid in

accordance with Mission Australia Fringe Benefits salary packaging scheme. Mission Australia will, through this salary packaging scheme, increase a permanent employee's take home remuneration by 10% (at the taxation rates current at the date of this Agreement).

This salary rate received by the employee may change if income tax rates change; however, the 10% increase on take home at the applied tax rates will be maintained through Mission Australia's Fringe Benefits Scheme. Fringe Benefits will be paid fortnightly at the employee's direction in accordance with Mission Australia's Fringe Benefits Scheme.

Mission Australia will give all employees eligible to participate in the scheme a copy of the Mission Australia Fringe Benefits Scheme Policy. Each employee will have access to details of the payments and transactions of their salary packaging arrangements made on their behalf. Where such details are maintained electronically, the employees shall be provided with a print out of the relevant information.

Mission Australia reserves the right, from time to time, to amend its salary packaging policy and procedures and in doing so it will endeavour not to disadvantage the employee.

The non-packaged part of the employee's salary will be paid fortnightly by way of electronic transfer into the employee's bank account (less taxation and any deductions authorised by the employee or authorised government body in writing).

The packaged part of the employee's salary will be paid in accordance with the Mission Australia Fringe Benefits Scheme.

Employees shall not be entitled to salary packaging until this Agreement has been certified. Salary packaging will not be paid retrospectively and will only take effect after receipt and process of the required documentation.

Option 2 - Non-Packaged:

Should the employee elect not to participate in the Mission Australia Fringe Benefits Scheme, the employee must inform Mission Australia in writing of their election. The employee's non-packaged pay structure shall be paid fortnightly in arrears by way of electronic transfer into the employee's bank account (less taxation and any deductions authorised by the employee or authorised government body, in writing).

6.2 Taxation Implications

6.2.1 Mission Australia and the employee acknowledge that remuneration entitlements have been calculated on the basis that Mission Australia is a Public Benevolent Institution (PBI) and exempt from Fringe Benefits Tax up to the capped amount per employee.

The employee acknowledges that any fringe benefits provided through the Mission Australia Fringe Benefits Scheme may be classified as reportable fringe benefits and as such may appear on the employee's payment summary (nee group certificate). The employee is responsible for seeking financial advice regarding Fringe Benefits.

6.2.2 Should the Australian Taxation Office and/or the Australian Government change the arrangements with respect to the way in which PBIs are eligible for tax exemption, with respect to salary sacrifice and/or packaging, which has the effect of increasing the costs of Mission Australia providing salary packaging to the employee, then the following arrangements will apply:

6.2.3 Mission Australia will notify the employee in writing of the occurrence of the matters which adversely affect Mission Australia.

6.2.4 Mission Australia will advise the employees and the Union that it can no longer offer salary packaging on the same or similar terms as are existing at the date of this Agreement and will

make an application to the Industrial Relations Commission to terminate this Agreement and the employees and the Union agree they shall consent to the termination of the Agreement only in these circumstances.

6.2.5 Should Mission Australia be unable to offer salary packaging, then:

- (a) Mission Australia will immediately commence paying the employee the appropriate award rate plus any increases for that award.
- (b) Mission Australia will continue to pay the statutory superannuation contributions for the appropriate award rate on behalf of the employee into the superannuation fund then nominated by Mission Australia.

6.3 Superannuation

Mission Australia will make monthly superannuation contributions for permanent and fixed term employees, based upon the remuneration prescribed by the relevant award for that employee, to a fund currently being either the Hesta Super Fund, AMP CustomSuper, and for casual employees to the Hesta Superannuation Fund. The rate specified the relevant superannuation legislation from time to time shall be applied to all of the employee's remuneration, or at such additional rate the employee may direct in writing. Mission Australia acknowledges that all matters relating to the provisions of superannuation can be adopted by this Agreement in accordance with the relevant legislation as amended from time to time.

- 6.4 Any payment calculated by reference to the employee's salary and payable either during their employment, on termination of employment or on death shall be paid at the rate prescribed by the relevant award for that employee, that is, entitlement to any payment, for example, superannuation, leave and leave loading, penalty rates, long service leave, will be based on the 'pre packaged, contract salary' award entitlements.
- 6.5 If, during the life of the salary packaging arrangement between the employer and the employee, the employee becomes entitled to workers' compensation payments, the employee's workers' compensation entitlements will be paid at the rate prescribed by the relevant award for that employee.

7. Grievance and Disputes Settling Procedure

In relation to any matters that may be in dispute between the parties of this Agreement, whether it relates to this Agreement or otherwise, the parties will attempt to resolve the matter at the workplace level, including but not limited to:

- 7.1 The employee and the supervisor of the employee meeting and conferring on the matter; and, if the matter is not resolved at such meeting, the parties arranging further discussions involving more senior levels of management (as appropriate); and
- 7.2 Acknowledge the right of either party to appoint, in writing, another person to act on behalf of that party in relation to resolving the matter at the workplace level; and
- 7.3 Agree to allow either party to refer the matter to mediation at the expense of Mission Australia that party, if the matter cannot be resolved at the workplace level; and
- 7.4 Mission Australia shall have the right to object to a Mediator nominated by the employee when that Mediator is not an appropriate Mediator for the dispute or is not a properly trained Mediator; in such event Mission Australia shall appoint a Mediator who will mediate the dispute.
- 7.5 Agree that, if either party refers the matter to mediation, both the parties will participate in the mediation process in good faith; and
- 7.6 Acknowledge the rights of either party to appoint in writing other persons to act on behalf of that party in relation to the mediation process; and

- 7.7 Agree that during the time the parties attempt to resolve the matter.
- 7.8 The parties agree to work in accordance with this Agreement unless the employee has reasonable concern about the imminent risk to the employee's health or safety; and
- 7.9 Subject to the relevant conditions of the Occupational Health and Safety legislation, even if the employee has reasonable concern about imminent risk to his or her safety, the employee must not unreasonably fail to comply with the direction of the employer to perform other available work whether at the same workplace or another workplace that is safe and appropriate for the employee to perform; and
- 7.10 The parties must co-operate to ensure the dispute resolution procedures are carried out as quickly and as reasonably as possible.
- 7.11 Nothing in this clause removes the right of either party to refer the dispute to the Industrial Relations Commission for resolution pursuant to the *Industrial Relations Act 1996*.

8. Term of Agreement

This Agreement shall take effect from the beginning of the first full pay period to commence on or after the date of its approval by the NSW Industrial Relations Commission and shall remain in force for a period of one year. This Agreement remains in force until a new agreement takes effect unless varied or terminated as provided by the *Industrial Relations Act 1996*.

9. Harassment and Discrimination

The parties to this Agreement agree that:

- 9.1 It is their intention to achieve the principle objectives in the *Industrial Relations Act 1996*, which is to respect the value and diversity of the workplace by helping to eliminate discrimination in the workplace on the grounds of race, sex, marital status, disability, homosexuality, trans-gender identity and age.
- 9.2 In fulfilling their obligations under the Dispute Resolution Procedure described in this Agreement, the parties have obligations to take all reasonable steps to ensure the operation and provisions of this Agreement are not directly or indirectly discriminatory in effect and will be consistent with the fulfilment of those obligations to the parties and to make application to vary any provisions of this Agreement which by means of operation, has the direct or indirect discriminatory effect.
- 9.3 Nothing in the provisions of this Agreement allow any treatment that would otherwise be prohibited by the Anti-Discrimination provisions in application to the Commonwealth, State or Territory legislation.

10. Duress

This Enterprise Agreement has not been entered into under duress by any of the parties.

11. Signatories to Agreement

Signed for and on behalf of Mission Australia:

Signed	_____
Name in full	_____ Kenneth Vincent Tapfield _____
Position held	_____ National Manager Human Resources _____
Address	_____ 4 - 10 Campbell Street Sydney NSW 2000 _____
Witnessed by	_____

Witness's Name in Full Merrilyn Gaye Strohfeldt

Witness's Address 1 / 323Ruthven Street, Toowoomba

Signed by Union Representatives:

Independent Education Union

Signed _____

Name in full Richard Shearman

Position held General Secretary

Address 176 - 18 Day Street, Sydney

Witnessed by _____

Witness's Name in Full Jody Louise Clifford

Witness's Address 10 Levy Street, Glenbrook 2773

ATTACHMENT ONE

MISSION AUSTRALIA FRINGE BENEFITS SCHEME ADMINISTRATIVE ARRANGEMENTS

Reviewed February 2004

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Overview

Within guidelines provided by the Australian Tax Office (ATO), Mission Australia may provide a portion of an employee's remuneration as a Fringe Benefit (FB). This Fringe Benefit portion of an employee's remuneration is exempt from Pay As You Go (PAYG) tax deductions and is, therefore, both gross and net in the employee's hands. The effect of remunerating an employee in this way is to provide

the employee with more expendable funds than would otherwise have been received if all remuneration was subject to PAYG tax.

Under the Mission Australia packaging policy, staff will receive 10% increase on their gross take home remuneration. The portion of fringe benefit is calculated by the Mission Australia salary calculator and made available through the Mission Australia fringe benefit scheme.

Under the ATO guidelines, however, the FB portion must not be received by an employee in cash, but may be used to pay for or reimburse approved expenses that the employee incurs.

The "fringe benefit year" runs from April 1 to March 31 each year. Where an employee is receiving part of their remuneration as a fringe benefit and there is an "unexpended" portion as at March 31 in any year, Mission Australia will pay the unexpended portion as salary, deducting PAYG tax instalments. The employee therefore commences the next "fringe benefits year" with a nil balance.

What are the benefits?

The benefit is that the employee's salary may become more tax effective if the option to take up FB packaging is elected. The FB component of the employee's total remuneration is exempt from PAYG deductions.

Who is eligible?

The Mission Australia Fringe Benefit Packaging scheme is available to all staff in Employment Services, staff covered by the Mission Australia Certified Agreement 2002, and other staff approved by the General Manager Corporate Services. Staff must be full-time, part-time (of 15 hours or more per week) or fixed-term contract of six months or more. Casuals and trainees are not offered packaging.

Is it for me?

Before any decision is made to take up the FB option, you should consult with your tax advisor. Certain FB payments in any FBT year are reportable on your Payment Summary. These amounts are not subject to Income Tax or Medicare Levy but may impact your eligibility for certain government entitlements, e.g. family allowance, or obligations, e.g. repayment of HECS debt, or certain taxation surcharges, e.g. superannuation surcharge. Refer to the site below for more details:

www.ato.gov.au/content.asp?=/content/Businesses/fbt_report_arrange_employees.htm

Note:

Participation in the Fringe Benefit Scheme is an option and is solely at the election of the employee.. The election to package is as per Mission Australia Fringe Benefit calculator; there is no availability to part-package.

To allow you to access your fringe benefit eligibility please click on the Intranet address below:

<http://intranet/corporateServices/humanresources/paybenefits/SalaryPackaging Calcs.stm>

How do I join the FB Scheme?

To join the scheme you must complete the MA Fringe Benefits Scheme "Application and Agreement" forms.

On page 3, "FB Payment Options", you will need to select (tick) one of the three options described below:

Option 1 - all of your fortnightly fringe benefit entitlements will be credited to the Mission Australia Fringe Benefit Account, accessible only by the Mission Australia Westpac Visa Card.

Option 2 - all of your fortnightly fringe benefit entitlements will be paid, on your behalf, by Mission Australia for periodic payments nominated by you.

Option 3 - part of your fortnightly fringe benefit entitlements will be paid, on your behalf, by Mission Australia for periodic payments nominated by you and the remainder will be credited to the Mission Australia fringe benefit account, accessible only by the Mission Australia Westpac Visa Card.

If you elect either Option 2 or 3 on the 'FB Payment Options' page (i.e. you wish Mission Australia to make periodic payments each fortnight on your behalf), you must provide supporting documentation. This documentation must include:

Proof of the commitment you have made in relation to the payment e.g. mortgage, car loan.

Details of the payment, e.g. correct name of the recipient (institution), account name, BSB No. Account number and amount of the payment (specific amount of "total entitlement").

Proof of rental agreement, registered rental agreement.

Notes:

1. Mission Australia will not pay more than the minimum fortnightly payment on a mortgage, where the mortgage has any re-draw facility,
2. Mission Australia will not repay a line-of-credit facility.
3. If you wish to set up an automatic direct debit from your Visa Card Account for items such as subscriptions, memberships, etc., then there are two steps you must complete:
 - (a) You must complete a "Notice of Cancellation of Direct Debit" form (attached), sign this, but DO NOT DATE. This form must be sent to the Fringe Benefits Administrator before you take action to open the direct debit. This will be used by Mission Australia to cancel the direct debit in the event that there is no longer authority for it to continue (e.g. you cease participation in the scheme, termination from Mission Australia).
 - (b) Take action to open the direct debit through the agency that is to receive the debit amount.
 - (c) When setting up a direct debit, you must attach a copy of the merchant's letter confirming the payment details to your "Notice of Cancellation of Direct Debit" form.
4. Payments can only be made by Mission Australia fortnightly by EFT. Payments by cheque are not possible.

You should forward the "Application and Agreement" form and the relevant supporting documentation to:

The Fringe Benefits Administrator
Human Resources Dept.
Mission Australia
4 - 10 Campbell Street
SYDNEY NSW 2000

The Fringe Benefits Administrator will verify your eligibility to participate and place an order for the Mission Australia Westpac Visa Card (if that is your chosen option). The card will be forwarded to your nominated Westpac branch for your collection.

When you have collected the Mission Australia Westpac Visa Card, you must:

Provide proof of identification.

Sign it immediately

Are there administrative charges?

Yes! A card fee of \$10.00 per annum applies to Mission Australia card holders, this will be debited from your FB account at the time it is opened, then annually thereafter. This fee is a Westpac charge that may be revised from time to time.

No annual fee exists for direct debit Fringe Benefit elections.

Mission Australia provides for no administration fee for entry to, and exit from, the Fringe Benefits scheme in any fringe benefits year (April 1 to March 31 each year). In addition, Mission Australia allows for an employee to make two changes to the allocation of their fringe benefit payment during the same period. Any additional changes will attract an administrative charge of \$50.00 per instance.

Who may use the card?

Only eligible employees of Mission Australia may participate in the FB scheme. Therefore the card is only for the use of the card holder and under no circumstances may you authorise its use by another person. To do so will render you ineligible for continued participation in the Mission Australia FB scheme.

What if the card is lost or stolen?

If you lose the MA Westpac Visa Card or it is stolen, you must immediately notify Westpac on their lost/stolen cards hotline which is:

1300 651 089 (24hrs/7 days per week)

Westpac will immediately cancel the card to prevent further use. You should also notify the Fringe Benefits Administrator. Westpac will arrange for the issue of a new card for your collection at your nominated Westpac branch. Please ensure you sign the card immediately after collection.

Are there restrictions on use of Fringe Benefits?

Yes! You may not obtain cash on the card either directly or indirectly. To do so is in contravention of the ATO's guidelines.

You may not transfer funds from the Mission Australia Westpac Visa Card account to any other account.

You, the employee, are the only authorised user of the card. You may not authorise any other individual to use it.

You may only use the card for items of expenditure that are authorised by Mission Australia - see question below.

Claiming income tax expenses: The use of the Mission Australia Westpac Visa Card will make expenses non-deductible. Therefore, you are advised not to use the Mission Australia Westpac Visa Card for expenses you wish to claim an income tax deduction for. The same applies for investment (negative geared) loans.

Note: Obtaining cash, authorising another individual to use the card or debiting unauthorised expenditures to the card will render you ineligible for continued participation in the Mission Australia FB scheme.

What expenditures are authorised by Mission Australia?

Apart from those referred to in the preceding paragraph, there are currently no forms of expenditure that are not authorised. However, the card is not to be used for expenditures contrary to the values and ethos of Mission Australia, e.g. pornography and gambling, etc.

How do I use the card?

You may use the card for the direct payment of expenditures as you would a credit card, e.g. for the purchase of clothing and household items, payment of repairs, utilities accounts, motor vehicle expenses, etc.

For the payment of regular expenses, e.g. a subscriptions and health insurance, you can arrange for the institution to which the payment is to be made to direct debit your card account.

However, a direct debit once activated can only be cancelled by the holder of the account. It is therefore a requirement of participation in the scheme that you complete a "Notice of Cancellation of Direct Debit" form for all direct debits coming from your Visa Card account. The completed but undated form must be sent to the Fringe Benefits Administrator. Mission Australia will hold the cancellation form in the event that, if for any reason you discontinue participating in the scheme and fail to cancel the direct debit, it will use this form to cease the direct debit immediately. (See the 'Cancelling Participation' section below.)

What records must I keep?

You must retain a tax invoice for all transactions on the MA fringe benefit account.

The tax invoice must show the merchant's ABN number, GST inclusive price, the words "Tax Invoice", name of supplier and a brief description of the goods and/or services supplied. For all direct debits a copy of the original merchant's advice confirming details of the direct debit should be attached to your monthly statement in lieu of a tax invoice. While most companies provide tax invoices as a matter of process, you may occasionally need to ask for a tax invoice at the point of purchase.

By the 15th of each month these documents attached to your monthly statement must be forwarded to the Fringe Benefits Administrator - see paragraph below.

Failure to submit details after three requests will immediately suspend the Mission Australia Visa Card and all amounts will be paid as salary less tax.

Do I receive a statement?

Yes! Westpac will provide you with a copy of the monthly statement of the FB account to assist you in keeping track of expenditures and the account balance. The statement will be mailed to your nominated mailing address on the 29th of each month. Should you not receive your statement by the first week of the month, you must contact the Fringe Benefits Administrator to obtain a copy.

To obtain a balance of your account, you need to contact Westpac on 1300 650 107 (24 hrs). It will be your responsibility to reconcile the statement with your tax invoices and to ensure there are sufficient funds in the account to meet commitments.

The statement will also be provided to the Fringe Benefits Administrator.

Change of mailing address

If at any point you change your mailing address from the one that is held by Westpac, you need to contact the Fringe Benefits Administrator to change the details. This action is separate from any that you take to notify Mission Australia (Pay Office) of any such changes.

Cancelling participation

If you wish to cancel your participation in the Mission Australia Fringe Benefits Scheme, you should:

Inform the Fringe Benefits Administrator in writing advising the preferred cancellation date.

If you hold a Mission Australia Westpac card, cancel any automatic debit authorities that you have established, e.g. subscriptions, memberships, etc., and forward the remains of the Mission Australia Visa Card (cut in two) with your written request to cancel your participation. Please note that you should make every effort to bring the card balance back to zero before cutting the card in half and cancelling your participation. Any unspent money will need to be paid to you via salary and taxed, and this can be held up because of the verification process between Mission Australia and the Westpac Bank.

All direct debits in place from your Visa Card must be cancelled through the respective agency prior to cancellation of the card. Should you fail to do this, you will be liable for any money taken from the account after your cancellation is actioned. This will automatically be debited from your salary until such time as the direct debit is cancelled.

On receipt of your written request and the remains of the Westpac card, the Fringe Benefits Administrator will:

Cancel any fortnightly payments being made on your behalf

Arrange closure of the Mission Australia Westpac card account.

Following the posting of any outstanding transactions, will pay to you the remaining balance in the account less PAYG deductions.

Changes to payment details

Should you wish to change your fringe benefits option at any time, you should obtain a copy of the MA Fringe Benefit Application and Agreement form from the intranet. Complete only page 3, Fringe Benefits Payment Options, clearly marking the form as an alteration, and return it to the Fringe Benefits Administrator.

Resignation/termination of employment

Payments to Mission Australia Visa Card will cease after the last full fortnightly pay period, prior to your final day. On your last day of employment with Mission Australia the account will be closed and you should hand the Mission Australia Westpac Visa Card (cut in two) to your manager or, alternatively, forward it to the Fringe Benefits Administrator. The Fringe Benefits Administrator will advise Westpac to close the account and, when any outstanding transactions have been posted to the account, will forward to you any remaining balance less PAYG tax deductions.

Disputed transactions

If you have elected the Mission Australia Westpac Visa Card and you wish to dispute a transaction that appears on a monthly statement, you should complete a "Disputed Transaction Notification" (available via the intranet) and mail or fax it to:

Disputed Transaction Unit
Card Services
GPO Box 18
SYDNEY NSW 2000
Fax: 02 9876 9250

Help!

If you have any questions about your participation in the Mission Australia Fringe Benefits Scheme, you should contact:

The Fringe Benefits Administrator
Mission Australia
4 - 10 Campbell Street
SYDNEY NSW 2000

Email: huangv@mission.com.au
hamzes@mission.com.au
Phone: 029 217 1079
Phone: 029 217 1087
Facsimile: 029 212 3285

Information and contacts

All documents and forms relating to the Mission Australia Fringe Benefits scheme are available on the Mission Australia intranet and may be downloaded for your use.

http://intranet/corporateServices/humanresources/Files/MAFringeBenefits_ApplicationAgreement.pdf

http://intranet/corporateServices/humanresources/paybenefits/SalPackage_FAQ.stm

<http://intranet/corporateServices/humanresources/Files/MAFormCardholderDispute.pdf>

Westpac Hotline for stolen or lost cards: 1300 651 089 (24 hrs).

Account balances (Westpac Visa Card) 1300 650 107 (24 hrs).

Disclaimer

Mission Australia makes the Mission Australia Fringe Benefits Scheme available to employees of Mission Australia in good faith, and participation in the scheme is at the sole discretion of each employee. Mission Australia accepts no responsibility or liability for any disadvantage (real or perceived) arising from an employee's participation in the Scheme. Mission Australia reserves the right to vary or discontinue the Fringe Benefits Scheme at any time.

Questions & Answers

Overview

1.1 What is salary packaging?

Salary packaging is a mechanism by which Mission Australia allows you to take your remuneration in a form other than a cash component.

1.2 How does salary packaging work?

Salary packaging involves Mission Australia paying for benefits (fringe benefits and superannuation) on your behalf from your pre tax salary. This results in a decrease of your taxable salary.

1.3 What is the benefit of salary packaging?

Salary packaging enables you to take advantage of legitimate tax benefits to increase your take home remuneration.

1.4 Who can participate?

The following group of employees may participate in salary packaging where their contract, award or agreement permits:

Permanent full-time employees

Part time employees whose base hours are 15 per week or more

Fixed-term employees on a contract of six months or more and whose base hours are 15 per week or more

Casual employees and trainees are not entitled to salary packaging.

1.5 Does salary packaging effect any of my existing entitlements?

Employment entitlements such as annual leave, sick leave, long service leave and superannuation are not affected. However, your reportable fringe benefits amount will be used for certain income tests, for example, HECS liability, certain surcharges and some government payments. Mission Australia strongly recommends you obtain independent financial advice prior to your electing to participate in the Mission Australia Fringe Benefits Scheme ("the scheme").

1.6 What is the cost?

The administration of the scheme is at no cost to the employee with respect to opting in and out of the scheme. You may make two changes to your fringe benefits arrangements per fringe benefits year (1 April - 31 March). Additional changes will attract an administrative charge of \$50.00 on each occasion. If you elect the Mission Australia Westpac Visa Card option, an annual fee of \$10.00 is payable by the employee.

1.7 What should I be mindful of when salary packaging?

Ensure your packaging arrangement are flexible enough to meet all your expenses.

Ensure the advice you receive is accurate and that you understand the concepts and implications of packaging.

The effect of fringe benefits on certain government income tests and liabilities.

1.8 Will I always receive a benefit from salary packaging?

Generally, you will gain a financial advantage from salary packaging. The degree of advantage depends on your salary level and the type of benefit being packaged (also see 1.5).

1.9 What happens to normal payroll processing and payslips?

The Mission Australia salary packaging calculator calculates the new fringe benefits and salary for staff who elects packaging. Your payslip after election will show a gross amount from which your fringe benefit component will be deducted, thus you may notice that your hourly rate will change.

1.10 What are the steps involved in establishing my salary package?

Should you elect to participate, you will need to complete the required documentation and identify which options you wish to elect that are available to you. A calculation sheet obtained from the Intranet should accompany the completed documentation. This is then sent to the Fringe Benefits Administrator for processing.

1.11 What if I don't want to participate in the Salary Packaging Scheme?

There is absolutely no obligation on you to join the scheme. Provided you have been offered salary packaging, you may decide to participate in the scheme at any time in the future.

Fringe Benefits Tax

Traditionally, employees have been remunerated in the form of gross salary plus any penalties and allowances. This form of remuneration has been assessable for tax under the Pay as You Go tax system ("PAYG").

The introduction of alternative ways of being remunerated (i.e. fringe benefits) meant that benefits received (in lieu of cash) were not assessable under the PAYG system.

Fringe Benefits Tax ("FBT") was introduced to capture this form of remuneration.

The grossed up value of your fringe benefit will appear on your Payment Summary on the top right hand corner. This amount reflects the fringe benefit year (1 April - 31 March) and not the financial year (1 July - 30 June).

The opportunity for employees of Mission Australia is that the organisation is presently exempt from FBT up to a limit.

Should the Federal Government change FBT in the future, this may alter salary packaging arrangements and Mission Australia may need to revise or discontinue the Fringe Benefits Scheme.

Joining the Mission Australia Fringe Benefits Scheme

2.1 Do I need to sign any agreements should I decide to participate in the Scheme?

Yes, there is an agreement that you will enter into which is solely between you and Mission Australia. This "Application to Participate and Agreement" outlines the terms and conditions under which Mission Australia offers you salary packaging, and allows you to select your packaging options. This Agreement is available on the Mission Australia Intranet and from the Fringe Benefits Administrator.

2.2 What fringe benefit packaging options are available to me?

You may elect to have your fringe benefit entitlement in the form of:

Mission Australia Westpac Visa Card (Option 1);

Regular commitments, e.g. your mortgage (must be substantiated by relevant documentation (Option 2). The "Application to Participate and Agreement" form indicates the details required; or

You may elect to split your fortnightly entitlement between these two options (Option 3).

2.3 Are there any other packaging options available?

Yes. Under Mission Australia's Human Resources Policy (reference found in the MA HR Manual) there is provision for employees to elect all or portion of their taxable gross salary as salary sacrifice to superannuation. Such an election will require that your contract of employment be modified to reflect this election component, and all enquiries therefore regarding salary sacrifice should be directed to the Human Resources Department in the first instance.

2.4 How much can I package?

The Mission Australia package calculator determines the amount of fringe benefits.

2.5 Can I make regular payments on Mission Australia Westpac Visa Card?

Yes. All regular payments that can be made on the Mission Australia Westpac Visa Card must be made in this way. These may include subscriptions, medical fund contributions and other payments. You should only request the Fringe Benefits Administrator to make regular fortnightly payments on your behalf (Options 2 and 3 in paragraph 2.2) if they cannot be made by direct debit to your card account.

2.6 Can I use my fringe benefits other than via a Visa Card?

Yes. You can pay a mortgage, personal loan or rent directly from your pay.

For mortgages and personal loans, you must provide a copy of the mortgage/loan agreement where it clearly states the minimum monthly repayments and bank details (account number, etc.), or obtain a bank statement giving this detail. Mission Australia will only pay fringe benefits in this manner up to the minimum monthly payment amount.

For rental payments, you must provide an agent's lease agreement before payments can be made. If it is private rental (to a friend or relative), you must provide a statutory declaration and a copy of the receipt for the bond paid to the Bond Board.

After joining

3.1 When do I receive my Mission Australia Westpac Visa Card?

The Westpac Bank who manage the Corporate Visa Card have undertaken to issue your Visa Card approximately 10 working days from the time the Fringe Benefits Administrator approves your application.

Westpac will send to you correspondence advising when the card is ready for collection. The Mission Australia Westpac Visa Card will be delivered to the Westpac branch that you nominated in your application.

3.2 What do I do when I receive it?

You are required to provide proof of identification at your local branch to enable you to collect the card. Be sure to sign it immediately.

3.3 When can I commence using the card?

Usually after the Friday of the next fortnightly payrun. You may wish to check the balance on the Westpac fringe benefits account before using the card on the initial occasion. Your balance can be obtained by ringing 1300 650 107 any time any day.

3.4 Can I receive cash?

No. The ATO specifically forbids the acquisition of cash through any fringe benefits scheme. The Mission Australia Westpac Visa Card is "cash barred" for this reason.

3.5 Can I use the card overseas?

Yes. Transactions made overseas will be subject to exchange rates applicable at the time. However, you must retain the receipts.

3.6 Do I receive statements on my Mission Australia Westpac Visa Card?

Yes. Monthly statements will be mailed to your postal address. Balances may be obtained anytime by phoning 1300 650 107. Please ensure you advise the Fringe Benefit Administrator whenever your address details change.

3.7 What expenditures am I limited to?

The ATO places no restrictions on the type of expenditures. Some examples of expenditure you may wish to consider are given below.

Examples of benefits available to be packaged are:

- Aged care expenses
- Mortgage loan repayments
- Car parking costs
- Motor vehicle purchase costs
- Child care expenses
- Motor vehicle running costs
- Education/training expenses
- Personal loan repayments
- Employee superannuation contributions
- Professional membership fees
- Family food/ clothing expenses
- Professional travel expenses
- General insurance
- Public transport costs
- Insurance
- Rates/utility expenses
- Accident
- Rental payments
- Health
- Savings plans
- Life
- School fees

However, the card should not be used for expenditures that would be contrary to the values and ethos of Mission Australia (pornography and gambling).

3.8 Can I use my fringe benefit to pay for things I intend to claim as an income tax deduction?

You can of course use the card for such items, but they are no longer deductible.

Similarly doctors' fees or medical payments, etc., that you wish claim Medicare should not be paid by the Mission Australia Westpac Visa Card.

3.9 Must I keep receipts?

Yes. You must keep tax invoices for all transactions made on Mission Australia Westpac Visa Card. At the end of each month these tax invoices must be forwarded to the Fringe Benefits Administrator attached to a copy of your statement. Mission Australia reserves the right to cancel your participation in the scheme should you fail to comply with this requirement.

3.10 Can someone else use the card?

No. The card is for your own use only. You may not authorise any one else to use the Mission Australia Westpac Visa Card.

3.11 What happens if I lose it?

You must immediately report lost or stolen cards to Westpac by phoning their hotline: 1300 651 089. Failure to do so may result in you being responsible for charges made to it by others. Westpac will cancel the card and issue another to you.

3.12 What can I not use the card for?

You must not obtain cash directly or indirectly on your fringe benefits account nor may you transfer funds from it to any other account or authorise its use by anyone else. See also 3.8 above.

3.13 Can I query a transaction on the statement?

Yes. You must complete a Disputed Transaction Notification and mail or fax it to the Fringe Benefits Administrator.

3.14 What happens if I leave employment with Mission Australia?

Your card must be surrendered to your manager or to the Fringe Benefit Administrator before or on your last day of active service. Your account will be closed effective the same day and any balance will be returned to Mission Australia by Westpac and paid to you, subject to PAYG tax.

In addition, you are required to immediately cancel all active direct debit transactions that involve automatic money transfers from your Visa Card to another agency.

3.15 Should I seek external financial advice?

It is strongly recommended that you seek professional independent financial advice.

3.16 Where do I get help?

Your contacts are:

The Fringe Benefits Administrators
Vivian Huang & Sally Hamze
Mission Australia
4 - 10 Campbell Street
SYDNEY 2000
Ph: (02) 9217 1079

Ph: (02) 9217 1087
Fax: (02) 9212 3285
Em: hamzes@mission.com.au
Em: huangv@mission.com.au
Westpac Hotline (stolen/lost cards) 1300 651 089
Account balances (Westpac Visa Card) 1300 650 107