



## MSEI POLICY 7.0 SALARIES AND CONDITIONS

### GUIDELINES FOR SALARY PACKAGING FOR ALL EMPLOYEES IN MERCY SPONSORED SCHOOLS

#### 1. PREAMBLE

Effective from 25 January 2005, the Catholic Education Offices of the Archdiocese of Melbourne, Dioceses of Ballarat, Sandhurst and Sale, issued a set of Salary Packaging Guidelines for employees in Catholic Education. In the Introduction to the above mentioned Guidelines, it is stated:

*'Salary Packaging is available to employees in accordance with Schedule 15 of the Victorian Catholic Schools and Catholic Education Offices Certified Agreement 2004–2007 (the Certified Agreement).'*

*'While there is no limit to the proportion of your salary that may be packaged, due to complexities of salary packaging and fringe benefits tax (FBT), it is strongly recommended that you seek independent, professional advice prior to commencing a salary packaging arrangement ....'*

#### 2. POLICY

- a) That all staff of Mercy sponsored schools, including those staff not under the Certified Agreement, be entitled to salary packaging.
- b) That the administration of Salary Packaging in Mercy sponsored schools be either managed externally by an approved salary packaging services provider or at the local level by the School itself.
- c) Items that may be include in salary packaging are:
  - fully novated motor vehicle leases (not fully maintained);
  - some motor vehicle operating costs;
  - debt repayments, including mortgages and credit card payments;
  - rental payments;
  - health insurance;
  - school fees;
  - childcare and/or child minding fees;
  - notebook computers and personal digital assistants (PDAs)\*;
  - mobile phones\*;
  - membership fees and subscription to professional associations;
  - home office expenses;
  - disability and/or income protection insurance premiums;
  - self-education expenses;
  - long-term car parking fees\*;
  - administration charges;
  - financial counselling fees;
  - additional superannuation\*.

\*FBT Exempt benefits as at 30 June 2005



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- d) That any contribution paid by the employee to the school would be inclusive of GST, where applicable;
- e) That benefit of input tax credits for GST be 'passed back' to the employee;
- f) That if the grossed-up value of an employee's fringe benefits for the FBT year exceeds \$30,000, a rebate cannot be claimed for the FBT liability on the excess amount;
- g) That Mercy sponsored schools follow the Salary Packaging Guidelines for Employees in Catholic Education (January 2005), as prepared by the Catholic Education Offices of the Archdiocese of Melbourne, Dioceses of Ballarat, Sandhurst and Sale and consult with MSEI approved auditors, BDO Chartered Accountants and Advisers, for further advice and clarification.
- h) That it is the responsibility of each school to ensure that they are up to date with any amended requirements.

**Reviewed: February 2007**  
**Next Review:**