

February 2018

What to Salary Package and what to look out for...

As the 2018 FBT year-end comes upon us, now is a good time to give some thought to Salary Packaging and what to look out for!

What?

When the topic of Salary Packaging is raised, we often receive three typical reactions:

1. *It's the best thing since sliced bread was invented!*
2. *It doesn't work / it's too complicated*
3. *Can employees actually achieve savings?*

Whatever your thinking, salary packaging is deeply ingrained in the remuneration strategies of thousands of Australian businesses, Not-for-Profits and Government organisations. For those businesses who do not embrace salary packaging, this is often to the detriment of their employees.

If you would like a **complimentary** review of your current salary packaging arrangements or if you are considering salary packaging opportunities, please contact us at info@fbtsolutions.com.au or via our website: www.fbtsolutions.com.au/contact-us. It's free, and we can provide you with industry and best practice ideas to enhance your remuneration strategies.

FBT is the key ingredient

FBT is to salary packaging what grapes are to wine and hops are to beer!

The application of the FBT rules are central to the existence of salary packaging. In most cases, where an FBT exemption or concession exists, an opportunity for salary packaging may be created.

The breadth of salary packaging is as wide as the FBT law itself. Here are some examples of the diversity offered by salary packaging:

1. *From Electric Bikes to Public Transport;*
2. *From Novated Leases to Associate Leases;*
3. *From Relocations to LAFH to Remote Area to Expatriates;*
4. *From Car Parking to Taxi Travel;*
5. *From Buying and Selling Homes to Temporary Accommodation*
6. *From Connection and Reconnection of Utilities to Leasing of Household Goods;*
7. *From Portable Electronic Devices to Newspapers, Membership Fees and Subscriptions;*
8. *From In-house Recreational Facilities to Entertainment;*

There is something for everyone – employers and employees.

Employer types

Further FBT exemptions and concessions exist based solely on Employer types, including:

1. *Religious Institutions;*
2. *Public Benevolent Institutions;*
3. *Health Promotion Charities;*
4. *Public and Non-Profit Hospitals;*
5. *Ambulance Services;*

Additionally, a broad range of Not for Profit employers, best described as Societies; Associations; and Clubs are eligible for FBT concessions. Some examples include organisations set up as or for the promotion of:

1. *Community Services;*
2. *Employer and Employee Associations;*
3. *Trade Unions;*
4. *Aviation and Tourism;*
5. *Agriculture;*
6. *Information and Communications;*
7. *Sport, Art, Literature and Music;*

All of these specific employer types and not for profit organisations can access the individual benefit exemptions and concession mentioned earlier in this FBT Talk.

What's important – Employer perspective

When employers consider their current salary packaging arrangements, it is worth analysing the following:

1. *Are we doing the best we can for our employees?*
2. *Are we maximising salary packaging as a remuneration tool?*
3. *What are our competitors doing?*
4. *What is the industry doing?*
5. *Do we have the right policies in place?*
6. *Can we improve the way we offer and administer our salary packaging arrangements?*
7. *If managed in-house, should we outsource?*

What's important – Employee perspective

For employees, it's all about understanding salary packaging and what benefit categories create the best outcome:

1. *What benefits will my employer allow me to package?*
2. *What are the policy rules in respect of the benefit packaging?*
3. *How will the packaging affect my take home pay?*
4. *What savings will I make from packaging versus purchasing from my after-tax pay?*
5. *Can salary packaging support my flexible working arrangements?*

What's coming up on FBT Talk

In our next FBT Talk, we will be discussing all things **FBT & Motor Vehicles**.

If you are looking for FBT assistance, FBT Solutions is a dedicated FBT practice offering end-to-end FBT and Salary Packaging services including:

- **FBT Return Outsource / Review and Lodgement**

- Salary Packaging Outsource / Advisory, and Training
- Managing FBT Audits
- Car Parking Valuations
- Automated Logbook and Car Parking Register

Please inform our support team at info@fbtsolutions.com.au if your colleagues would like to receive FBT Talk & FBT Alert issues.

Additionally, we are running full day 2018 FBT workshops and online webinars in February and March 2018, providing you and your team with the knowledge and tools to efficiently and effectively prepare the 2018 FBT return.

The locations and dates for the **workshops** are as follows:

1. Brisbane: Wednesday 7 March 2018 [Find out more](#)
2. Melbourne: Tuesday 13 March 2018 [Find out more](#)
3. Perth: Thursday 15 March 2018 [Find out more](#)
4. Canberra: Tuesday 20 March 2018 [Find out more](#)
5. Sydney: Thursday 22 March 2018 [Find out more](#)

The locations and dates for the **online webinars** are as follows:

1. **2018 FBT: New Zealand FBT Update Essentials:** Wednesday 28 February 2018, 1pm to 2.30pm (AEST) [Find out more](#)
2. **2018 FBT: Relocations and Mobility:** Thursday 1 March 2018, 1pm to 2.30pm (AEST) [Find out more](#)
3. **2018 FBT: Non Profits:** Tuesday 6 March 2018, 1pm to 2.30pm (AEST) [Find out more](#)
4. **2018 FBT: Motor Vehicles and Car Parking:** Thursday 8 March 2018, 1pm to 2.30pm (AEST) [Find out more](#)
5. **2018 FBT: Entertainment:** Wednesday 14 March 2018, 1pm to 2.30pm (AEST) [Find out more](#)
6. **2018 FBT: Australian FBT Update Essentials:** Wednesday 21 March 2018, 1pm to 2.30pm (AEST) [Find out more](#)
7. **2018 FBT: Salary Packaging Update Essentials:** Wednesday 11 April 2018, 1pm to 2.30pm (AEST) [Find out more](#)

If you wish to discuss anything further in relation to FBT, please reach out to our office on 02 8079 2924 or contact our team directly at info@fbtsolutions.com.au.