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SALARY PACKAGING

Strategic Outcome:	Good government	
Policy type	Strategic	
Date of Adoption:	17 August 2022	Minute Number: 250
Date for Review:	17 August 2026	
Responsible Officer:	Finance Manager	
Document Control:	New Policy	
Delivery Program Link:	Delivery Program Objective 2.1.3.1	

1. POLICY STATEMENT

Berrigan Shire Council is committed to offering employees flexible remuneration programs, including salary packaging that allows them to best maximise their net salary.

This policy details the salary packaging benefits available to Berrigan Shire Council employees and the requirements for entering salary packaging arrangements

2. PURPOSE

The purpose of this policy is to provide a framework to allow and regulate salary packaging to Council employees employed under the Local Government (State) Award 2020 or a contract as per [section 338 of the Local Government Act 1993](#)

3. SCOPE

All full-time and part-time employees, excepting staff on probation, employed under:

- the Local Government (State) Award 2020 or successor Awards, and
- a contract as per s338 of the *Local Government Act 1993*,

4. OBJECTIVE

This policy is developed to assist the Council with the Delivery Program Objective 2.1.3.1

Coordinate Council investments, financial management, financial operations and processing.



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5. DEFINITIONS

- Fringe Benefits Tax:** A tax imposed on employees receiving extra benefits in addition to their wages
- Probation:** A period of time at the start of a permanent full-time or part-time employment relationship that gives the employer the opportunity to assess whether their new employee is capable, reliable and suitable for the job
- Superable Salary:** An annual base salary, plus certain allowances and payments that are generally paid to an employee while on annual or long service leave, plus loading for shift work

6. POLICY IMPLEMENTATION

6.1 Eligibility

Where salary packaging is made available to employees of Berrigan Shire Council the following information and guidelines will provide the framework in which such arrangements will operate:

There is no compulsion for any employee to participate in salary packaging. It is entirely voluntary

Salary packaging may only be made available to eligible employees. An eligible employee is:

- a full or part time permanent employee of Berrigan Shire Council employed under the Local Government (State) Award 2020, or subsequent Awards
- Chief Executive Officer, Directors and other Senior Staff where individual contracts provide for access to salary packaging

Employees on probation are **not** eligible for salary packaging.

Packaging will only be available on normal salary and wages and standard allowances that are paid each and every pay period. Overtime will **not** form part of any salary package

Packaging of benefits is to be carried out at no cost to Council (i.e., the employee will bear any management fees and / or Fringe Benefits Tax implications etc. associated with the salary packaging arrangement)

6.2 Obligations

6.2.1 Employees

Employees will:



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- obtain independent financial advice prior to commencing salary packaging
- sign an agreement setting out components to be salary packaged and acknowledging Council is not responsible or liable for salary packaging decisions made by the employee and/or their financial advisor
- be able to select from an approved menu of items to be included in salary packaging
- provide Council with declarations relevant to components requested to be packaged

6.2.2 Management

The Chief Executive Officer and/or Finance Manager will:

- circulate and maintain a policy on salary packaging at Berrigan Shire Council
- approve and release from time to time an updated menu of items which can be accessed under salary packaging

6.3 **Operation**

Except as otherwise agreed, the employee may request in writing to change the items to be salary packaged once per year and Council shall not unreasonably refuse such request

The value of the items included in the package shall be treated as approved items for superannuation purposes and shall not reduce the employee's superable salary

The value of the items included to be packaged shall be agreed between Council and the employee and shall include fringe benefits tax where applicable

Items of the package shall be paid by Council to or on behalf of the employee on an arrears basis at regular periods agreed by Council and the employee

Allowable input tax credits (ITC) will be passed on to the employee while any workers' compensation premium or any other salary-related savings will be retained by Council

7. **RELATED LEGISLATION, POLICIES AND STRATEGIES**

7.1 **Legislation**

- *Local Government Act 1993*
- *Fair Work Act (Cth) 2009*
- Local Government (State) Award 2020

7.2 **Council policies and guidelines**

- Code of Conduct



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- Risk Management Policy and Framework
- Salary Policy
- Procurement and Disposal Policy
- Expenses and Facilities Guidelines for Staff.

8. RECORDS MANAGEMENT

All Records must be kept in accordance with Council's Records Management Policy (currently under development) and destroyed as per the General Retention and Disposal Authority: Local Government Records (GA39).

9. REVIEW AND EVALUATION

This policy (procedure) will be evaluated and reviewed at least once every four (4) years as per Council's Governance Policy or as required.

10. DOCUMENT AVAILABILITY

A number of legislative instruments require Councils to have the policy available for inspection at Council's principal office (i.e. Policies made under Part 3, of the Local Government Act 1993). Each document should therefore state the ways in which the policy is available including any relevant fees and charges for access to such policy. An example of the required statement is provided below:

This policy will be available for inspection at Council's principal office during ordinary business hours as per the requirements of section 18 (c) of the *Government Information (Public Access) Act 2009* and section 167 of the *Local Government Act 1993*.

Access to the policy in digital format is free and is available on Council's website <https://www.berriganshire.nsw.gov.au/>

Printed copies of the document are available at Council's principal office (address noted below) and are subject to Council's Fees and Charges.

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11. VERSION CONTROL

Version Number	Date	Summary	Responsible Officer
1.0	17.08.2022	New Policy	Finance Manager

APPENDICES

Salary Packaging Menu (under development)