

**Important Notice – Contribution Caps**

The 2009 Federal Budget announced that the existing concessional contribution caps that limit the amount that can be contributed to superannuation without attracting an excess contributions tax of 31.5% will be reduced by 50%. These changes have now been legislated and will affect all concessional contributions made from 1 July 2009.

The concessional contributions cap will be reduced from \$50,000 to \$25,000 p.a. (indexed) from the 2009/10 financial year. The existing transitional concessional contributions cap for those aged 50 and over (applicable for the 2009/10, 2010/11 and 2011/12 financial years) will be reduced from \$100,000 to \$50,000 p.a. (not indexed).

The limit that applies to the after tax contributions (*non-concessional contributions*) remains at \$150,000.

These changes have impact on University staff who are currently or intending to salary package additional amounts to superannuation.

**Contributions that count towards the concessional contribution cap**

The following contributions will be counted towards your concessional contribution cap for the current financial year:

- \*fortnightly employer superannuation contributions from Monash University
- \*pre-tax member contribution to UniSuper/State Super fund
- additional voluntary salary sacrifice contributions to UniSuper/VicSuper accumulation account
- any pre-tax **lump sum** amount and
- any contributions from any other employment or directorships

**\*Notional Contributions for Defined Benefit Members**

For Defined Benefit members of UniSuper and State Super the contributions that count towards the concessional contributions cap are calculated using a Notional Taxed Contribution (NTC) Formula rather than the actual employer and member contributions. The calculated NTC rates are generally lower than the actual level of employer and employee contributions. Further information can be accessed at:

UniSuper            <http://www.unisuper.com.au/download.cfm?oid=C9C43708-C29A-04E1-4D7FE260F1B81A0F>  
State Super:        <http://www.esssuper.com.au/standard.asp?pg=288>

**Penalties for exceeding the new limits**

The ATO will identify any concessional contributions made above these limits and the excess contributions will be taxed at a penalty rate of 31.5%, in addition to the normal contributions tax rate of 15%. **This is then equivalent to the top marginal tax rate of 46.5%.**

Details of your concessional contributions relating to your service with Monash University for the current financial year can be obtained by contacting the Superannuation Office on 9902 9585 or 9902 9497. The information is provided to assist you and your financial adviser to implement an appropriate salary packaging arrangement.

**Monash takes no responsibility for advising you if your decision to salary package into superannuation will mean that you exceed your concessional contribution cap.**

## **General Instructions for Completing the Salary Packaging Application**

1. Prior to completing this form, you must read the university's revised Salary Packaging Policy and Procedures accessible at <http://www.adm.monash.edu.au/workplace-policy/remuneration/packaging/procedure/>. In particular, Section 6 of the manual (Benefits available to be packaged) contains important information about Concessional Superannuation Contribution Limits applying from 1 July 2009. Amounts in excess of the concessional contribution limit are subject to excess concessional contributions tax at 31.5%. You are also strongly advised to obtain financial advice from an appropriately qualified adviser prior to making a decision to salary sacrifice.
2. **This form is to be completed, signed and returned to HR Operations, Monash HR. In order to be effective the agreement can relate only to future pay periods.**
3. Once the form has been completed, signed and provided to HR Operations as indicated above, the nominated salary packaging arrangement then remains in force until varied. Variation would require completion, signature and provision to HR Operations of an amended salary sacrifice request in the form approved by Monash University at that time.
4. Incomplete forms will not be processed and will be returned to the individual staff member.
5. Faxed copies will be accepted.
6. When planning to salary package additional voluntary contribution into superannuation consideration should be given to the tax free threshold if you have claimed general exemption with Monash University as your primary employer.
7. Salary packaging is a benefit which attracts an administration charge as outlined in the salary packaging manual. For further information refer to:  
<http://www.adm.monash.edu.au/workplace-policy/remuneration/packaging/procedure/>

## **Special Instructions for Completing the Section Relating to Salary Packaging Additional Lump Sum Payments**

- I. In order to be effective for any current year bonuses, a form with the Lump Sum section completed, must be provided prior to the date of staff member's performance review or prior to the determination of the amount of any bonus or lump sum payment for the staff member. (This is an Australian Tax Office requirement and, if this form is not completed as outlined above, the option of salary packaging is not possible).
- II. Packaging of Lump Sums is only available to staff members whose contract of employment provides for a possible performance bonus or who may in some way become entitled to an additional lump sum payment and who wish to sacrifice all or part of that payment into their UniSuper or VicSuper accumulation account. Note: Lump sum amounts will be invested using the existing investment option for the chosen Plan. It is the responsibility of the individual staff member to select and monitor the investment performance.

Salary packaging of any additional lump sum payment is a benefit which attracts an additional administration charge as outlined in the Salary Packaging Policy and Procedure. For further information refer to:

<http://www.adm.monash.edu.au/workplace-policy/remuneration/packaging/procedure/>

SECTION 1 – STAFF MEMBER’S DETAILS	
Family Name	Given Name(s)
Personnel Number	Date of Birth ___ / ___ / _____
Faculty/Division	Contact Tel. No _____
Organisational Unit	Campus
Address:	Email Address:

SECTION 2 – SALARY SACRIFICE SUPERANNUATION CONTRIBUTIONS DETAILS	
<input type="checkbox"/>	Pre-tax UniSuper compulsory member contributions (or State Superannuation Fund if applicable) <b>Salary packaged superannuation contributions do not qualify for Government Superannuation Co-contribution.</b>
<input type="checkbox"/>	Voluntary fortnightly contributions to UniSuper accumulation account (or Vic Super if applicable)
	Total amount per fortnight \$.....
<input type="checkbox"/>	I wish to cancel my voluntary fortnightly contributions.

SECTION 3 – SALARY SACRIFICE LUMP SUM CONTRIBUTIONS DETAILS	
<p>In the event that I become entitled to an additional <b>lump sum payment</b> during the current year and in future years, I request Monash University to (tick one option):</p> <p><input type="checkbox"/> <b>Option 1</b> Pay the full amount of any such payment to my UniSuper accumulation account (or Vic Super if applicable)</p> <p><input type="checkbox"/> <b>Option 2</b> Pay only the portion of such payment as is indicated below to my UniSuper accumulation account (or Vic Super if applicable)</p> <p style="padding-left: 40px;">% allocated _____% (balance to be paid to my nominated bank account)</p> <p style="padding-left: 40px;"><b>OR</b></p> <p style="padding-left: 40px;">Up to a maximum of \$_____ (balance to be paid to my nominated bank account)</p> <p><input type="checkbox"/> <b>Option 3</b> I wish to cancel existing arrangements to salary sacrifice potential bonuses and lump sum payments. I wish to receive such payments in cash until further notice</p> <p>I understand that this arrangement will remain in force in relation to potential lump sum payments and bonuses for the duration of my employment or until I provide an amended salary sacrifice request relating to such items in the form approved by Monash University at that time.</p>	

SECTION 4 – AUTHORISATION OF STAFF MEMBER	
<ol style="list-style-type: none"> <li>I am an employee of Monash University, being entitled to a current gross salary of ..... per annum. Gross salary appears on your fortnightly payslip (to be calculated at your current fraction) available at ESS (<a href="https://eservices.monash.edu.au/irj/portal">https://eservices.monash.edu.au/irj/portal</a>)</li> <li>I have read and understood the university’s Salary Packaging Policy and Procedures and agree to abide by the provisions in Workplace Policies and Procedures (WPP), which may be varied from time to time. The university’s Salary Packaging Policy and Procedures are located at: <a href="http://adm.monash.edu/workplace-policy/remuneration/packaging/">http://adm.monash.edu/workplace-policy/remuneration/packaging/</a></li> <li>I acknowledge that the university has advised me to seek independent financial advice before considering the offer to enter into this salary packaging arrangement. I acknowledge and agree that I have read the university’s policies and procedures and have noted the specific information about contribution caps and excess concessional contributions tax from 1 July 2009, set out in Section 4 of that manual and in the Important Notice incorporated in this form.</li> <li>I acknowledge that in relation to my request for salary sacrifice any <b>Lump Sum Payment</b> the University will charge an additional administration fee of 1% (capped at \$200) of the lump sum packaged, in accordance with its salary packaging policy for the provision of this service.</li> <li>I would like to pay for the administration fee related to salary sacrifice of my <b>Lump Sum Payment</b> into superannuation by (please</li> </ol>	

select only one option):

- Deducting fee from lump sum and remaining amount packaged into super as outlined above
- Deducting fee from next fortnightly salary and entire lump sum packaged into super as outlined above.

6. If my request to salary sacrifice is accepted I authorise the university to make payment in accordance with Section 2 of this form.

<b>Staff member's signature</b>	<b>Date:</b> ___ / ___ / _____
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**HR OPERATIONS USE ONLY**

Approved		Rejected	
Signature		Date / /	
Details Entered by	Date / /	Checked by	Date / /
Forwarded to Superannuation Office	Date / /	Action required	Yes/No

**For assistance please contact HR Enquiries on ext 20400**  
Please return completed form to HR Operations, Monash HR, Monash University VIC 3800

Monash HR privacy collection statement is located at <http://privacy.monash.edu/guidelines/collection-personal-information.html#hr>