

EMPLOYER CONTRIBUTION PROCESS



We will send you a contribution report for each pay period, in either PDF, Excel or CSV. The contribution report is based on the packaging items per employee, in summary format. If an employee packages more than one item the line will show as a total of all items for that employee.

Employee Contribution Due : Pay@bility Pty Ltd

Employee #	Employee Name	ITC Refunded By You (E)	Post Tax Sent To Us (A)	Pre Tax Sent To Us (B)	FBT Value (C)	GST Retained By You (D)	Total Pre Tax (B+C+D)	Total Send To Us A+B+C
E00008	Test Employee	\$217.71	\$843.33	\$1,373.74	\$0.00	\$76.66	\$1,450.40	\$2,217.07
Total For C00005		\$217.71	\$843.33	\$1,373.74	\$0.00	\$76.66	\$1,450.40	\$2,217.07

Account Name :Benefitability
BSB : 116-879
Account Number : 424202010

ITC Refunded by You (E) This is the expected GST being invoiced to you for the lease each month and if you are only packaging leases, then this can be refunded at point of pay. If not, we will send you a report by the 7th of each month specifying the amount of GST to remit to ourselves. You claim this back under G11 in your BAS return. The journals for the return of GST are as follows;

Refunded at point of pay
DR ATO
CR Salary Packaging Clearing

Refunded on the 7th based on report
DR ATO
CR Salary Packaging Clearing

Post Tax Sent to Us (A) This is the employee contribution from after tax earnings to offset the FBT Value, also known as the Employee Contribution Method (ECM). Deduct this from Employees Post Tax and include this in the amount sent to us. The payroll journal should treat this as follows

DR Salaries and Wages
CR Salary Packaging Clearing

Pre-Tax Sent to Us (B) This is part the Pre-Tax component of the salary packaged item and should be deducted and sent to ourselves. The payroll journal should treat this as follows

DR Salaries and Wages – Salary Packaging
CR Salary Packaging Clearing

FBT Value (C) Should you be a Not For Profit and be entitled to Rebateable status, if may be more beneficial to pay the Fringe Benefits Tax after reducing the FBT by the rebate. FBT is deducted from payroll Pre-Tax and can either be held by yourself or remitted to ourselves to manage. If it is being managed by ourselves, it will be included in the total sent to us. The payroll journal should treat this as follows;

DR Salaries and Wages – Fringe Benefits Tax
CR ATO Fringe Benefits Tax or Salary Packaging Clearing

GST Retained by You (D) This is the deemed GST on the employee contribution and is 1/11th of the Post Tax amount. The GST is collected Pre-Tax and should be paid to the ATO under 1A. The payroll journal should treat this as follows;

DR Salaries and Wages – Salary Packaging
CR ATO

Total Pre Tax (B+C+D) This is a control total comprising all the Pre Tax deductions from the employee's salary / wages.

Total Sent to Us (A+B+C) or (E+A+B+C) This is also a control total and represents the total that should be remitted to ourselves. If you are refunding the GST at point of Pay, then it will comprise (E+A+B+C) and if your are remitting GST to us when you receive the report, then it is (A+B+C). This represents the payment to ourselves and the journal should be as follows;

DR Salary Packaging Clearing
CR Bank

Our bank details are listed below the Employee Contribution Report

Once you have made payment / deduction, please remit the contribution detail to ourselves at pay@bility.com.au