

# CAPPED BENEFITS -PBI / CHARITY

Same pay more money – Give yourself a payrise

Salary sacrifice – or salary packaging – is an Australian Tax Office (ATO) approved method of increasing your take-home pay, by lowering your taxable income.

Salary sacrificing enables you to pay for a range of living expenses with your pre-tax salary. Facilitated by Benefit@bility, it is an arrangement between you and your employer.

By “sacrificing” part of your salary to pay for these items, you’re reducing your taxable income, as you only pay tax on the remaining portion of your salary. This means that come payday, you have more money in your pocket.

## Paying rent, loan interest or other regular bills? You can reduce your tax!

Your employer can help you enrol for a Capped Benefit – allowing you to save thousands of your income tax dollars. This benefit falls under the clause of, “use it or lose it”, so reach out to your employer and start saving!

By using a Capped Benefit your employer pays you the same salary, but instead of paying for all your expenses with after-tax income, you can deduct these expenses (\$15,900 PBI Charity and \$9,010 for public / not for profit hospitals and ambulance services) from your pre-tax income per pay cycle, thereby reducing your income tax substantially.

### Benefits



Save on PAYG tax.



Save the GST, if any.



Easy to set up regular payments.

### What Can I Package ?



Home loan repayment



Personal loan(s)



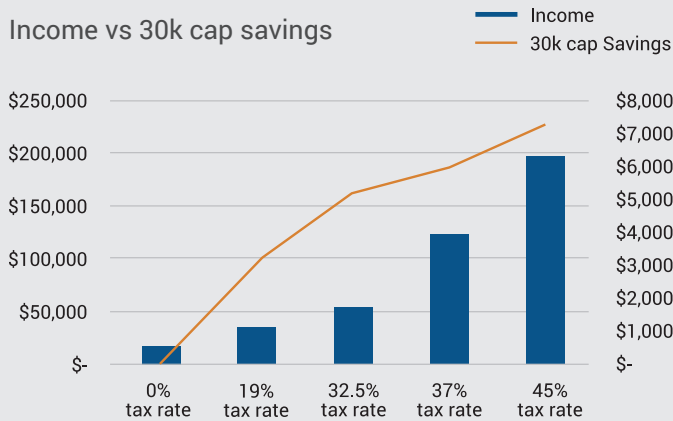
Rent



Credit card

## How Much can I Save?

Income vs 30k cap savings



## Who are PBI / Charity Employers?

PBI stands for Public Benevolent Institution. Generally, this means:

- registered PBI (public benevolent institutions) endorsed by the ATO for FBT concessions
- registered health promotion charities endorsed by the ATO for FBT concessions
- public and not-for-profit hospitals (lower CAP applies)
- public ambulance services (Lower CAP applies)

### Case Study

Stephanie works for a charity and earns \$80,000 per year as an outreach co-ordinator. She enrolls for the capped benefit and packages her full allowable cap (\$30,000) for rent and credit card payments annually, (both are non-GST items).



Credit card	\$15,900 (actual spend excl GST)
GST	nil
Marginal Tax Rate	32.5%
<b>Savings per year</b>	<b>\$5,485</b>
Medicare savings	included

## Frequently Asked Questions?

- You must be employed to access the CAP benefit.
- You can access the CAP per employment contract.
- If you do not use the CAP, it is lost and cannot be carried forward.
- The CAP applies per FBT Year.

## What do I need to do?



### Step 1:

Check to see if your employer offers salary packaging. If not, ask us to contact them and work through the benefits



### Step 2:

Go to our calculator and work out how much you can save and then submit the calculation to ourselves or call us to work out savings



### Step 3:

Our consultants will assist you to establish your salary package through your employer



### Step 4:

You start saving from the moment the package is set up