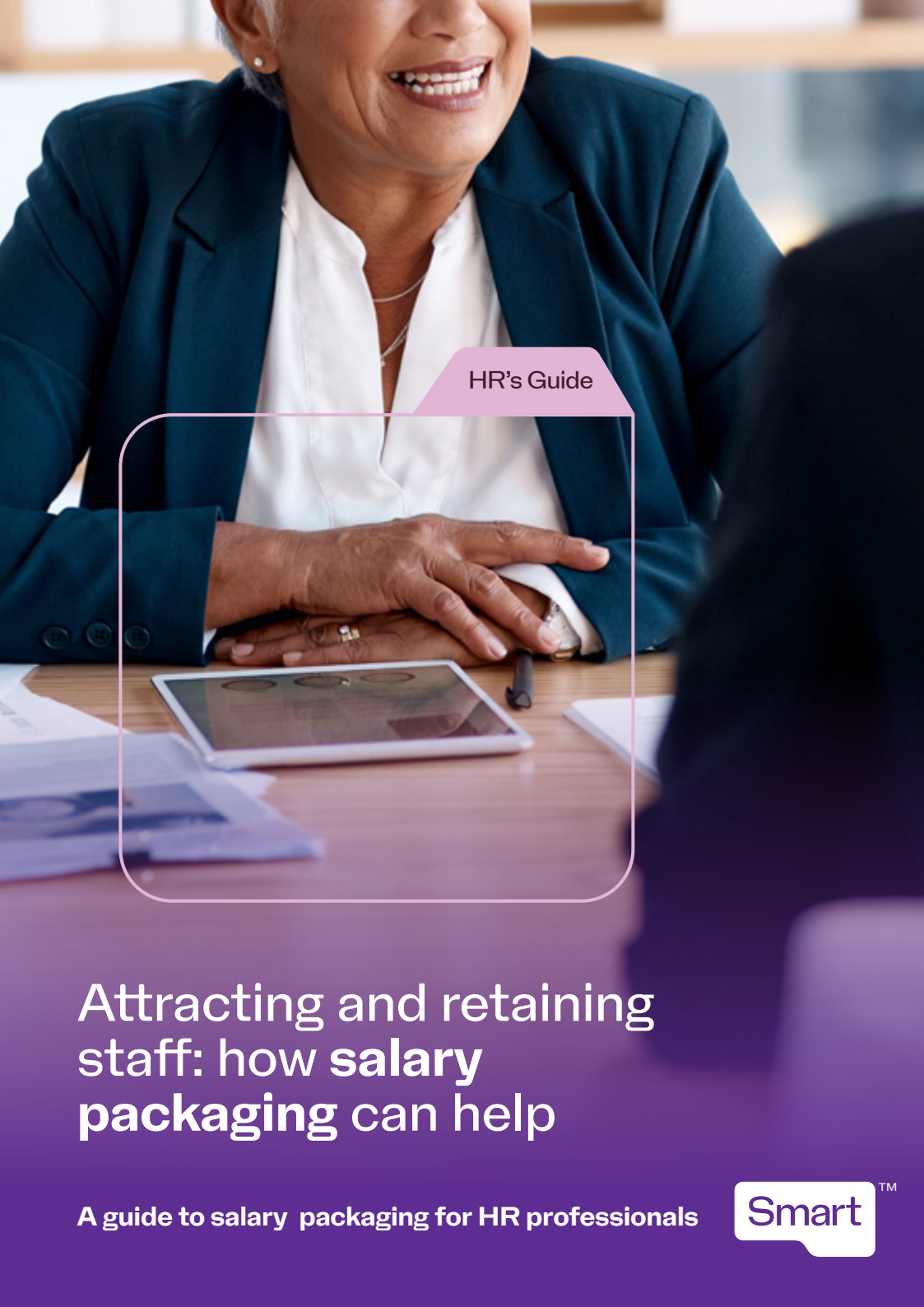




HR's Guide

# Attracting and retaining staff: how **salary packaging** can help

A guide to salary packaging for HR professionals

Smart<sup>TM</sup>

Welcome

## What is salary packaging?

**Salary packaging (also known as salary sacrifice) is an Australian Taxation Office approved benefit that allows your employees to pay for certain items with their pre-tax salary. That means your employees can make their regular pay go further and it can help make you a more attractive employer.**

Learn more

To learn more, scan here



## Smart savings

For you as an employer, salary packaging is an extremely cost-effective way to help attract and retain high-calibre staff, effectively helping to reduce the cost of recruitment, lower staff turnover and increase employee satisfaction.

Here's an example of your employees' take-home pay before and after salary packaging.

### Without salary packaging



Your gross pay



Income tax



Purchased items



Your remaining pay

### With salary packaging



Your gross pay



Purchased items



Income tax



Take home pay

### What's involved in setting up a benefits program?

We're proud to be one of the largest salary packaging providers in Australia. We offer our clients a range of services to assist with their employee benefits programs and improve their employees' financial well-being, including salary packaging and novated leasing services.

We've helped tens of thousands of employees take advantage of industry-specific salary packaging and novated leasing benefits, helping to ensure they're maximising their disposable income and reducing the tax they pay.

### Support every step of the way

We provide all the materials you need to raise awareness and educate your employees. We have a complete Employer toolkit of resources which includes newsletter/Yammer content and images, flyers, brochures, email templates, PowerPoint slides as well as a range of educational webinars.

### Payroll support and integration

From implementation to ongoing management, we tailor our program administration to fit the needs of your organisation. We can seamlessly manage your program and reduce the workload for your teams while ensuring your employees enjoy their tax savings.

# Why is salary packaging an essential staff retention tool?

## Attracting the talent you need

We understand the highly competitive employment market and how difficult it can be to attract and retain staff in the face of this. Offering a well-rounded offering of compensation and benefits is one of the ways organisations can help attract and retain top talent.

**Boost your financial package:** salary packaging can increase the overall value of the remuneration package you can offer, with no additional cost to your organisation to set up or deliver salary packaging to your employees.

**Differentiation:** salary packaging can be a differentiator when candidates are evaluating multiple job offers – a job offering the flexibility and cost savings of a salary packaging program can set your position apart.

**Caring employer:** offering salary packaging is how you can support new employees make the most of their take-home pay.

**Additional incentives:** packaged relocation expenses can be a strong additional incentive.

32%

**Said low compensation due to rising cost of living was a compelling reason for leaving a job.**

– Randstad Employer Brand Research 2024. Australian talent insights

63%

**say pay and benefits are among the most important factors when considering a new job**

– IPSOS: What Australia Thinks, Feels And Does At Work

## Retaining your existing talent

As the cost-of-living increases, salary packaging can be a compelling tool for you, the employer, to help your employees maximise their take-home pay without it impacting your remuneration budget.

### Salary packaging can:

- Assist your employees to take advantage of tax-efficient benefits which may result in significant cost savings for them.
- Give your employees the flexibility to choose the benefits that suit their lifestyle and financial goals.
- Demonstrate your company's commitment to supporting your employees diverse needs and preferences, which is a key aspect of a compelling Employee Value Proposition (EVP).



**Remuneration and reward was ranked no.1 by workers on what they value most from an employer**

– PWC: The Future of Work: What Workers Want Report, 2021



44%

**said pay and benefits would be the main reason to consider leaving their current employer.**

– IPSOS: What Australia Thinks, Feels And Does At Work

# What benefits can you offer?

Depending on the type of organisation you are and the industry you are in, there are different salary packaging benefits available to your employees.

## Popular benefits



### Car leasing

Car leasing, also known as novated leasing, is one of the easiest and most cost-effective ways to buy and run a car. In fact, your employees could save thousands over the lifetime of their lease.

Scan to learn more



### Portable Electronic Devices

If your staff use their laptops mainly for work purposes, they could be eligible to salary package the cost and save up to 45% on the purchase price. They could also save on tablets, mobiles or wireless headsets.<sup>1</sup>



### Additional superannuation contributions

Your employees could save on tax whilst boosting their future wealth.



### Financial and taxation advice

Your employees could salary package the fees for a financial planner or a tax advisor and save.

1. A portable electronic device can only be salary packaged if it is used primarily (over 50%) for work purposes. Tax savings achieved through salary packaging will depend on the employee's income tax bracket and personal circumstances.

## We help design a bespoke package for you

We understand the benefits available to your employees and can help you design a benefits program suited to your business and your employees. We can help you develop employee information and then we help your employees access their benefits.

Your team doesn't need to manage or administer the salary packaging program and there is no additional cost to your organisation.



### Airline lounge membership

Whether travelling for work or personal reasons, your employees could salary package their airline lounge membership.



### Self-education

Employees could salary package the costs of additional study and professional development.



### Income protection insurance

If your employees have income protection insurance, they may qualify to package this benefit.



### Childcare

Your employees may be able to use pre-tax dollars to pay for the cost of childcare at approved childcare centres.



### Work-related expenses

There are a number of items that can be packaged to help your employees save on work-related expenses.

Plus



### Smartrewards

In addition to the salary packaging savings available to your employees, as a Smart customer, they could also access a great range of rewards.





# Why choose Smart?

## Experts in salary packaging

For over 20 years, we've been making it easier for our customers to save. We have employer clients across government and corporate organisation, education providers, major health care groups, and public benevolent institutions.

Our focus is to help all our employer clients make the most of their employee benefits program and ensure their employees are making the most of the options available to them, leveraging our knowledge and expertise to help you to deliver an efficient and effective employee benefits program that maximises the savings available to your employees.

## Secure Employer Portal

You can manage and monitor your salary packaging program via our secure Employer Portal. It includes the ability to access reporting, payroll-related files and employee data.

## Keen to find out more?

To learn more about salary packaging, the benefits which may be available to your employees and how we can help you roll them out to your employees, contact us on

**1300 476 278**

[smart.com.au](http://smart.com.au)

**Smart**™