

Salary Sacrifice

What is salary sacrifice?

It may be possible for you to put money into Quadrant on a pre-tax or 'salary sacrifice' basis through an agreement with your employer. Before you proceed with this you should consider any entitlements you may have to a Government co-contribution or spouse account rebate and ensure that any arrangements will not see you exceed the concessional contribution limit of \$25,000 per annum.

How salary sacrifice works

With salary sacrifice, the employer reduces your salary by the amount of the superannuation contributions you want to make. The employer then makes contributions on your behalf equal to the amount of salary you have 'sacrificed'.

By using this option you don't pay personal income tax on the part of your salary that's been 'sacrificed' to superannuation. Instead you pay a 15% superannuation tax, which could be at a lower rate than your marginal tax rate.

You should consider your own individual circumstances and obtain advice from a financial advisor or an accountant. The disadvantages of salary sacrifice can sometimes outweigh the advantages, depending upon your circumstances.

Formal requirements

There are specific conditions, which must be met including:

- There must be a formal offer made by your employer to salary sacrifice, and you must accept the offer in writing before the amount being sacrificed is earned
- If you are paid under an award, you cannot salary sacrifice below the award, unless an Enterprise Bargaining Agreement or Australian Workplace Agreement allows you to do so.

So what should you do?

You can only decide whether salary sacrifice is best for you after you've had a close look at your own personal situation.

You should make an appointment to see a financial advisor who will discuss with you the advantages and disadvantages of salary sacrifice and whether it is the right option for you. Quadrant offers a financial advisory service through Quadrant First Pty Ltd, AFSL no. 284443. To make an appointment with a Quadrant First financial advisor please contact us on 1800 222 209.

Need more information?

If you would like more information about salary sacrifice contact us on 1800 222 209 or visit our website quadrantsuper.com.au.

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or visit our website at **www.quadrantsuper.com.au**

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Personal financial advice is provided by Quadrant First Pty Ltd AFSL no. 284443



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