



Centrecare

“People Making Time for People.”

1. Who are we?

Centrecare is a public benevolent institution (a non profit organisation assisting individuals in the community). We are one of Western Australia's most well established, professional and innovative providers of specialist social services. Our purpose is to provide excellent, respectful and caring services to our community.

Centrecare employs over 260 experienced professionals with qualifications in psychology, social work, counselling, business, administration and the social services. Centrecare staff deliver over 80 professional and specialised accommodation, counselling, support, mediation, emergency relief, advocacy, education and training services. Offices are located in Bunbury, Cannington, Lockridge, Esperance, Kalgoorlie, Joondalup, Mirrabooka and Midland, with our head office located in Perth.

Our services are offered to all, without discrimination on the basis of age, gender, race, religion, physical disability, marital or social status.

Our Tradition, Mission and Values

Our Tradition

Centrecare is founded on the Church's holistic vision for community and is inspired always by the generous spirit of all who have contributed to its life.

Our Mission

Centrecare seeks to provide excellent, respectful and caring services, which facilitate healing and encourage all persons to develop to their fullest potential.

Our Values

Centrecare, in providing services, always seeks to demonstrate its belief in the intrinsic worth of persons by:

respecting differences

cherishing individuality

nourishing dignity

2. Industrial Award

Centrecare uses the Social and Community Services (SACS) Western Australia Award 2002 (Federal) as its benchmark in employment contracts.



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3. Centrecare’s Remuneration Packaging

Centrecare recognises that our people are our most valuable asset. In recognition of this, we offer our people flexible salary packaging which we believe will:

- Assist us to attract and retain staff.
- Maximise staff benefits, without increasing the organisation’s costs.
- Empower staff by allowing them choices in the way in which they are paid.

The following information details how salary packaging at Centrecare operates, including the choices staff have and the process by which their packaging can occur.

Centrecare believes that its Salary Packaging Program offers staff substantial benefits. Therefore, as a valued staff member of Centrecare, your choice is whether to package; and if so, what to package from the list of fringe benefits available.

Who can package?

Flexible salary packaging is available to invited full time or part time staff who are employed at Centrecare under the Social and Community Services Industry – Community Services Workers - Western Australia Award (1996). Participation in the program requires approval in writing by the Director or his duly authorised delegate.

What is salary packaging?

Salary Packaging is a term used to describe the arrangement where a staff member receives part of their remuneration in fringe benefits rather than receiving all of it as taxable salary. This arrangement is also referred to as salary packaging or salary sacrificing. These terms all mean the same thing. Namely, the staff member foregoes taxable salary in exchange for fringe benefits.

What are fringe benefits?

The most common fringe benefits are expense payment reimbursements. Expense payment reimbursements include personal expenses paid by an employer on behalf of a staff member. For example, payment of home mortgage repayments, private health insurance, children’s school fees and so on. Payment of personal expenses can be made either directly by the employer to the supplier, or the employer can reimburse the cost of the expense to the staff member.

Why package personal expenses?

Depending on the expense, substantial savings can be made by staff from having Centrecare pay personal expenses on their behalf.



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This simple *Before* and *After* calculation illustrates:

Components	Before Situation	After Situation	Remuneration Package Treatment
Package	<u>\$35,000</u>	<u>\$35,000</u>	Employee's remuneration
Mortgage payments	10,000	10,000	Fringe benefits paid by Employer
Fringe Benefits Tax	0	0	Nil (Centrecare is FBT exempt)
Salary Sacrifice	<u>0</u>	<u>10,000</u>	Total cost of fringe benefits
Cash Salary	<u>\$35,000</u>	<u>\$25,000</u>	Reduced salary subject to PAYG
<u>Less:</u> PAYG Tax	5,850	2,850	
Medicare levy	<u>525</u>	<u>375</u>	
Net Pay	28,625	21,775	
<u>Less:</u> Mortgage	<u>10,000</u>	<u>0</u>	Employee already contributing
Disposable Net Pay	<u>\$18,625</u>	<u>\$ 21,775</u>	Employee is \$3,150 in front

By agreeing to take the lower cash salary of \$25,000 and have Centrecare make their mortgage payments as part of their salary package, this staff member will save \$3,150 (after tax) per year. Looked at another way, the gain equates to a 13.1% pay rise and has increased the market value of the staff member's remuneration from \$35,000 to \$39,600.

Reportable fringe benefits

Centrecare is required to record on a staff member's Payment Summary the grossed-up taxable value of certain fringe benefits provided to them during the FBT year where the taxable value (i.e. before gross-up) of those fringe benefits is in excess of \$2,000. These are called **Reportable Fringe Benefits**, and are not included in an individual's assessable (or taxable) income, or affect the amount of standard Medicare levy an individual pays. They will, however, be used for the following income tests:

- Medicare levy surcharge;
- rebate for personal superannuation contributions;
- rebate for contributions to spouse's superannuation;
- termination payments surcharge;
- HECS repayments, i.e. higher education contributions;
- child-support obligations; and
- entitlement to income tested government benefits like Family Tax Benefit, Child Care Benefit and the parental income test for Youth Allowance. These income tests will, however, only include the non-grossed-up value of an individual's fringe benefits.

Reportable fringe benefits provided during the year ending 31 March will appear on payment summaries for the following year ending 30 June. There are a number of exclusions from the reporting requirements, including where the taxable value of an individual's reportable fringe benefits during a reporting period is \$2,000 or less.



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Why is packaging so beneficial to Centrecare staff?

The answer is that Centrecare, as a public benevolent institution (meaning it is a non profit-making organisation assisting individuals in the community), is exempt from paying Fringe Benefits Tax (FBT) on fringe benefits provided to staff members where the grossed-up value does not exceed, on a per head basis, the \$30,000 “cap limit” set by the Federal Government.

Centrecare may renegotiate the salary packaging arrangements of staff members should it cease to be exempt from the payment of FBT, or should changes in any legislation or the enactment of any new legislation impose on Centrecare financially or other obligations which are unacceptable to Centrecare. Staff would be advised of any move by Centrecare to alter their salary packaging arrangements as a consequence of legislative changes.

What fringe benefits can staff package?

Staff are under no obligation to package, and each person is free to negotiate for those fringe benefits that best satisfy their financial and personal needs. The more common ones include:

- council and water rates;
- credit card repayments;
- education expenses;
- mortgage repayments;
- other loan repayments; or
- medical insurance

Centrecare reserves the right to review the fringe benefits to be provided to staff on an individual basis, and at all times reserves the right to decline any staff member’s request to be provided with particular fringe benefits.

How do staff start their package?

Once staff have been informed of their eligibility to participate in the program the required forms can be completed and forwarded to Pay-Plan. Pay-Plan specialises in providing remuneration planning advice to individuals to help ensure that they understand the financial implications of receiving fringe benefits.

Remuneration Planning and Package Construction

Centrecare has engaged the services of Pay-Plan to provide salary packaging support to interested staff. Specifically, Pay-Plan’s role is to:

- a) Assist staff to understand the fringe benefits are available under the Program
- b) Identify the fringe benefits that are appropriate to their specific circumstances
- c) Give guidance on whether packaging will be of value to them
- d) Give information on the obligations and responsibilities of packaging
- e) Give an estimate to the staff member of their take-home pay after packaging
- f) Prepare and on-forward finalised documentation to Centrecare to enable the staff member's package to begin.

Important: You are free to seek advice from your own accountant or financial adviser, but you are required to use Pay-Plan to establish your package.



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A Packaging Agreement is required to be signed

There are strict requirements for packaging that must be observed. It is for these reasons that staff need to formalise their arrangements by signing a Flexible Remuneration Packaging Agreement before fringe benefits are provided. The Agreement and the information set-out in this Program document regulate the operation of the Program. The Agreement covers areas such as:

- a) Protecting Centrecare in the event circumstances arise in the future that put it at risk, e.g. a change in its FBT status.
- b) Change in the rate of FBT, or to the manner in which it is calculated, or the introduction of any new government taxes, levies or duties.
- c) Legal liability for Centrecare, its officers, staff members, contractors or agents, where they cannot be held responsible for a staff member's packaging decisions. For example, the requirement to use the services of Pay-Plan before packaging helps to ensure staff understand the implications of their packaging decisions.
- d) The special taxation requirements associated with providing fringe benefits, and the responsibility that staff have to follow these.
- e) How Centrecare should not be financially disadvantaged by:
 - i) withdrawing or ceasing any staff member's fringe benefits;
 - ii) varying the terms and conditions on which fringe benefits are provided to an individual or group of individuals;
 - iii) arranging for third parties to provide fringe benefits; or
 - iv) terminating a staff member's packaging agreement.

Changing a package

The Flexible Remuneration Packaging Agreement is subject to review as at 31 March of each year. It is important to note that this is not a salary review, but rather a review of whether packaging arrangements are to continue.

Prior to then, staff will need to decide whether they want to continue their existing packaging arrangements, change them or stop them. If they want to let their package continue unaltered, then there would usually be no requirement for them to sign a fresh agreement. If changes to a package are required, then staff will need to contact Pay-Plan who will organise for them to be implemented. It is important that staff contact Pay-Plan at least six weeks before 31 March in order to ensure a smooth implementation of their new arrangements.

What are the costs to package?

Package Management and Administration

Packaging management and administration is undertaken jointly by Pay-Plan and Centrecare, who are responsible for making benefit payments and for reporting to staff members on what has been spent, etc. Centrecare's policy is to recover the administrative and compliance costs associated with flexible remuneration packaging from participating staff members. The fee is negotiated with each staff member prior to them commencing their remuneration package and at 31 March each year. Centrecare reserves the right to review this policy if circumstances dictate.

Remuneration Planning, Package Construction and Reviews

Remuneration planning, package construction and package review work is undertaken by Pay-Plan. There is no additional cost for this service as it is included in the above fee negotiated with each staff member.



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Confidentiality

Centrecare will not provide information concerning the affairs of staff to a third party without their written consent (unless obliged under law to do so), other than to:

- a) the Australian Taxation Office in the event of an audit;
- b) staff having access to such information in the performance of their duties; or
- c) Pay-Plan employees requiring access to such information in connection with the provision of related administrative functions and services.

How else does packaging affect staff

Packaging **will** affect staff in the following other ways:

- a) Gross cash-salary before packaging is reduced by the total cost to Centrecare of providing the agreed fringe benefits.
- b) Fringe benefits will not be paid in advance unless prior arrangements have been approved. Therefore the payment of benefits must first accrue before being paid.

Packaging **will not** affect:

- a) Eligibility for pay increases; holiday or sick leave entitlements, i.e. days per year, or pay entitlements on resignation or retirement.
- b) Where applicable, overtime and annual leave loading payments will continue to be calculated on a staff member's pre-packaged salary.
- c) Superannuation. Centrecare's employer contributions are calculated on a staff member's pre-packaged salary.

Other employment terms unchanged

The matters discussed and set-out in this handout, together with those contained in the Flexible Remuneration Packaging Agreement, represent the terms and conditions of Centrecare's Flexible Salary Packaging Program for the time being. They should also be read in conjunction with the staff member's terms and conditions of employment. In the event of any inconsistency between the two, the staff member's terms and conditions of the Award shall prevail.

All other employment terms and conditions of staff remain unchanged. The content of this handout may be altered at any time without notice.

Non disclosure of packaging program information

In order to protect the business and intellectual property interests of Pay-Plan, the Salary Packaging Agreement requires staff not to disclose any information concerning the operation of Centrecare's Salary Packaging Program to anyone and to hold any information belonging to Centrecare and Pay-Plan in strict confidence including the following:

- i) This program information document;
- ii) The Remuneration Packaging Agreement document; and
- iii) Any supporting spreadsheets, declarations or other written information relating to the operation of the program.

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Superannuation

Centrecare contribute 9% of an employee’s annual salary as per the Act and Regulations of the Occupational Superannuation Standards Act 1987.

4. Preparing your application

Your application should be typed, however, if this is not possible ensure that your written application is clear.

Please note the closing date for advertised vacancies as late applications cannot be accepted.

5. Documentation to Supply with Your Application

Please include the following documentation when submitting your application:

5.1 Statement of Claims for Selection Criteria

The selection criteria will specify the minimum competencies required for the position. When preparing your statement please:

- Address and demonstrate that you meet the essential and desirable criteria.
- Treat each criterion separately
- Provide a brief statement outlining your experience, skills and knowledge to each criterion. Briefly indicate achievements which demonstrate your application of the required skills or knowledge.

5.2 Provide your Resume (Curriculum Vitae) including

- Personal details
- A summary of your work history
- Academic and/or training achievements, including any you are currently undertaking
- Any activities you have undertaken outside of work which are relevant to the application
- Copy of your qualification(s)



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5.3 Provide Two Referees

- It is suggested you contact your referees as a courtesy prior to nominating them in your application. Indicate means of contact, work addresses and daytime telephone numbers
- Only referees who can comment on your work performance should be included. If possible, one of the referees should be your current supervisor/manager.

5.4 National Police Certificate/Working with Children Check Cards

It is a condition of employment for all positions at Centrecare, that a valid National Police Certificate is sighted prior to any job offer being made. We therefore encourage all applicants to include a copy of their certificate with their application, or bring to interview if they are short-listed. A National Police Certificate can be obtained by applying at your local Post Office.

Additionally, some applicants will be asked to supply a Working with Children Check card dependant on the criteria of the position applied for.

6. Closing Date

Your complete application must be received by the Human Resources Department prior to the deadline of the advertised closing date.

Late applications cannot be accepted.

7. Lodging your application

Applications can be accepted in two ways. Hard copy applications should be fastened in the top left hand corner of the application. *Please do not submit in plastic or cardboard folders.*

Posted or hand delivered applications should be marked “CONFIDENTIAL ADVERTISED VACANCY” and submitted to:

**Human Resources
Centrecare
456 Hay Street
PERTH WA 6000**

Emailed applications will also be accepted in Microsoft Word or PDF format. Email to:

humanresources@centrecare.com.au

Please do not hesitate to contact us on (08) 9325 6644 if you have any questions or comments.