

# Salary Sacrifice

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You may be able to make contributions from your pre tax salary to **AMIST Super**, which is known as Salary Sacrifice. Under a Salary Sacrifice arrangement, your employer pays part of your salary into your superannuation fund, rather than as actual wages. This can potentially result in you paying less tax than if you receive all of your salary as wages.

Please note that some employers do not allow salary sacrifice, whilst others put conditions on employees being able to salary sacrifice. For example, an employer may allow you to salary sacrifice and reduce your taxable income – but you may then have your Superannuation Guarantee and other entitlements based on this new, lower income. Please check with your employer if you are contemplating making contributions to **AMIST Super** via salary sacrifice.

The example below shows a member whose salary is \$60,000, and the difference between \$10,000 made as a contribution from after tax salary, and as Salary Sacrifice.

	WITHOUT SALARY SACRIFICE	WITH SALARY SACRIFICE
Total Salary	\$60,000	\$60,000
Salary Sacrifice Amount	NIL	\$10,000
Voluntary Contribution	\$10,000	NIL
Taxable Income	\$60,000	\$50,000
Personal Income Tax Payable*	\$12,128	\$8,978
Superannuation Contributions Tax**	NIL	\$1,500
Total Tax Payable	\$12,128	\$10,478
Amount contributed to superannuation (not including 9% Superannuation Guarantee)	\$10,000	\$10,000
Disposable Income (after superannuation contribution)	\$37,872	\$39,522

Therefore there is a potential advantage after tax of \$1,650

\* Personal Income Tax based on 2010/2011 taxation rates including Medicare Levy

\*\* Superannuation contributions tax at a rate of 15%. The actual rate paid may be lower as administration fees and insurance premiums are deductible.

The example above is based solely on the information shown and is for illustration purposes only. It is recommended that you discuss with your employer how entering into a salary sacrifice arrangement will affect the amount of income and superannuation that you receive. You should also consider consulting an independent qualified financial adviser.



**AMIST Super Hotline**  
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