

The Employee Benefits Card

Help yourself to more of your income



Swipe the Employee Benefits Card to enjoy tax-free spending

What you are about to read might surprise you. It will also offer you a simple choice. The choice to get more from your pay, or do nothing at all. Whatever you decide to do is entirely up to you.

Imagine if you had an extra \$100, \$200 or even \$500 a month to spend without having to work any extra hours. Well now you can, by joining the thousands of people in your industry who regularly use the Employee Benefits Card. People just like you, who use the card to pay for things like petrol, clothing, eating out – even paying for the weekly groceries.

In fact, you can use it to pay for just about anything, wherever MasterCard is accepted. One more thing, it's not a credit card. The difference is you spend your money, not the bank's.

Right about now, you are probably thinking that this sounds a little too good to be true. So we'd like to take this opportunity to explain how the Federal Government has made it possible for you to get more money from your pay.

This opportunity has become available not by way of some tax loophole, but because you are employed in the PBI sector. The Federal Government has established special rules that allow employees of public benevolent institutions (PBI) private and-not-for profit hospitals and public hospitals to receive part of their income as tax-free benefits.

These special rules are another way in which the Government provides assistance to the PBI sector. To take advantage of these special rules and receive part of your income in tax-free benefits, certain conditions need to be satisfied.



It's a special set of rules for a special type of industry

How do the special rules operate?

The Employee Benefits Card is based on a straightforward concept. It's your money, so if you're entitled, you should get to keep more of it.

Sounds good in theory, doesn't it? But how does it work? Under the special rules your employer may provide an amount nominated by you, up to \$617 (or \$349 if you are a hospital employee) per fortnight of your salary as benefits. Which means, instead of taking all your salary in cash, you use your Employee Benefits Card to access pre tax income to pay for everyday purchases.

You may be wondering what's in it for your employer. Are they making money on your money? Absolutely not! But they are able to provide you with tax-free benefits without the administration costs normally associated with processing employee claims and expense requests.

How can I access tax-free benefits?

The Employee Benefits Card is a specific MasterCard, which acts as a key to unlock tax-free benefits from your salary. It's easy to understand and simple to operate. Here's how to access your benefits:

1. Choose how much of your salary you want to receive as benefits up to \$617 (or \$349 if you are a hospital employee) per fortnight.
2. Fill out the Application Form and return it to the address provided.
3. Each pay period, the money you have nominated to receive as benefits will be credited to your Employee Benefits Card account by your employer, without any tax being deducted from this money. Just as important, it is immediately available to spend.
4. Use your card wherever MasterCard is accepted to pay for all your expenses up to the limit of your available funds.
5. Each month we will send you a statement of the expenses charged to your card. The money that has been deposited to your card account by your employer is used to pay for these expenses.



What you can and can't do with your card

What expenses can I pay with my card?

If you can pay for it with a MasterCard you can pay for it with the Employee Benefits Card. And as a MasterCard, the Employee Benefits Card is accepted by more than 22 million merchants around the world.

Here are just some of the things you can pay for with the card:

- Buy the weekly groceries.
- Fill your car with petrol.
- Dine out at a restaurant.
- Travel or book a holiday.
- Pay your gas, electricity and telephone bills.
- Pay your council rates and water rates.
- Purchase theatre and movie tickets.
- Shop for clothes.

And remember, whenever you make a purchase with your card you're using your money.

Can I use my card for bill payments?

Yes, like any MasterCard, the Employee Benefits Card offers a variety of flexible bill payment options including:

- Payments on merchant internet sites.

- Payments by telephone direct to merchants.
- Post Billpay.

Please note, BPAY and telephone banking are not currently available with the Employee Benefits Card.

What can't I pay for with my card?

While the card can be used to pay for most day-to-day expenses, there are some transactions that are not permitted:

- Periodical payments or direct debits cannot be set up on the card.
- The card cannot be used to withdraw cash; e.g. from ATMs, or when making EFTPOS transactions.
- No mortgage payments, personal loan payments or other credit card bills can be paid with the card.

Can I overspend on my card?

You can only spend on your card up to the funds available from deposits made to your card account by your employer. If a transaction is approved that would cause you to spend in excess of your available

funds, don't worry. In these circumstances any overspent amounts will be deducted from the account you nominated when you applied for your card.

What else should I know about my card?

The Employee Benefits Card has been designed to be hassle-free and easy to use.

- When paying for a purchase with the card, select the 'credit' option.
- For instant confirmation of your card account balance use an ATM or call the Westpac Call Centre.
- Because the Employee Benefits Card has been designed for the specific purpose of accessing tax-free benefits, you cannot transfer funds from your card account into other accounts, or from other accounts into your card account.
- A \$160 annual fee is charged at the end of the first statement cycle and then charged on or after the anniversary of the first charging of the fee.

Some important facts you need to know

What happens at year-end?

At year end, which is 27 March each year for purposes of the card, any amounts unspent are simply carried forward but may affect the amount available for you to spend in the new year up to the applicable annual cap.

What happens to my card if I resign?

Unfortunately, on resignation or termination of employment your card will be automatically cancelled and must be returned to your employer.

Any funds that have been deposited to your card account but not spent will be reconciled by your employer and paid to you less the appropriate amount of tax.

How are benefits shown on my group certificate?

The Employee Benefits Card lets you access tax-free benefits without the need to keep detailed records of your expenses.

For tax reporting purposes, your group certificate will reflect your taxable income as the amount paid to you as salary. The

benefits provided will be shown as a separate amount under a 'Reportable Benefits' box.

The amount of Reportable Benefits under regulation are shown as 1.869 times the amount of benefits provided, ie \$100 of benefits is reported as \$187.

You do not pay any tax on these Reportable Benefits. However, the figure may be relevant when determining your entitlements to certain Government assistance administered by Centrelink. You should contact your local Centrelink office for further information.

In addition, HECS payments and some Government programmes may be affected. For further information you should speak to a financial advisor.

How do I apply for my card?

Applying for the card is easy. Just follow these three quick steps:

1. Complete the Salary Sacrifice Agreement available from your employer.
2. Complete the Employee Benefits Card Application Form, including the Direct Debit Form, available from your employer.
3. Return the completed forms to your employer.

Can I apply for an additional card in my spouse's or partner's name?

Yes. Just note that a separate \$160 annual fee is payable and you need to decide how much will be deposited by your employer to each card.

What happens next?

1. You will receive a letter when the card is available for collection at your nominated Westpac branch.
2. Every payday, your employer will transfer the agreed amount to your card.
3. You may spend tax free dollars up to the available balance.
4. You will receive a transaction statement each month.

Apply now

To start enjoying tax-free benefits, simply return your completed Application Form to your employer. It's that easy.

Want to find out more?

If you have any questions regarding the Employee Benefits Card or its use, please contact your personnel/payroll department for more information.