



Employer of choice

# Salary-sacrifice is still the #1 staff benefit

Your staff can still save \$000s  
when they buy laptops



# Salary packaging today

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39% of employees believe the opportunity to acquire a laptop by salary-sacrifice is the most important and preferred packaging benefit.

Why? They save 30% to 50% plus 10% GST.

70% of companies offer salary-packaging.

This is a benefit that can be provided to employees at no cost to the company.

2008 policy changes by the Federal Government

- endorsed salary-sacrifice arrangements
- expanded the range of eligible products
- removed the rorts

Pinpoint's salary packaging arrangements are 100% compliant with ATO and government policy.

Smart leaders who show they really care for their employees will reap the benefits of loyalty and motivation.

This is an easy way to align your company's interests with your employee's interests.

# Myth-busters

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## 1. “Employees don’t need a laptop at home.”

**WRONG.** Many employees need a computer and internet access at home to be productive employees for your company:

- To record client communications or prepare proposals and presentations outside normal work hours: at least in peak periods
- To communicate remotely with colleagues via email and intranet
- To check rosters, schedules, details for the days ahead
- To compile activity reports, expense reports etc that they don’t have time for in their busy days in the office.

Most companies can’t afford to provide a computer for use at home. But if your employees want to buy a laptop for home use, why not help them to do so – at no cost to you?

## 2. “Employees don’t need a laptop at home – we provide a laptop in the office for their use.”

**WRONG.** They use that laptop in the office. Taking it repeatedly between office and home is inconvenient for the employee and creates data security risks.

If your employees want to buy laptops for their convenience at home and reduce your company’s data security risks, at no cost to your company, why stand in their way?

# Myth-busters

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### 3. “The Tax Office doesn’t permit salary-sacrifice to buy a laptop for home use when we’ve provided a laptop to use in the office.”

**WRONG.** Supplying a laptop for use at work is the same as supplying staff with a desk, a chair and a phone. The employee’s need to use a computer at home for work purposes is completely independent.

Crowe Horwarth confirms the legitimacy of the FBT exemption for laptops acquired by employees for use at home primarily for work purposes – as declared by the employee – even if the employer has supplied a laptop primarily to be used during work hours.

### 4. “The Government discourages salary-sacrificing for the purchase of laptops and PDAs.”

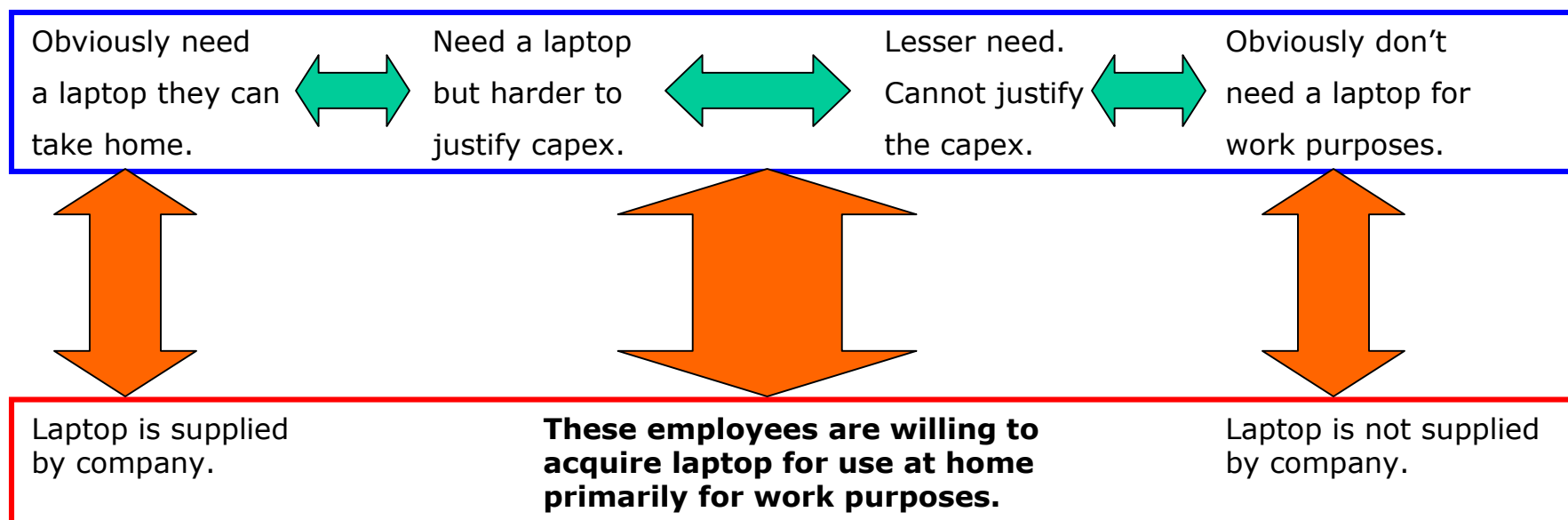
**WRONG.** In May 2008, the Federal Treasurer announced:

- Increased range of products that could be salary-packaged
- Clearer definition of the “work-purpose” test – to eliminate excesses that were never intended or justifiable

If the government wanted to stop salary-sacrificing for laptops, it would have stopped it.

# Myth-busters

5. "Everyone who needs a laptop is supplied with one."  
**WRONG.** Your employees are somewhere on this continuum:



Help them save \$000s.  
Company saves capex.  
Productivity rises.  
WIN -- WIN !

# Benefits for your employees

## Tax-free laptops & PDAs

- FBT-exempt: savings up to 46.5% compared with purchases paid for from after-tax salary
- Pinpoint's low "corporate" prices
- GST-free (another 10% saving if employer passes on tax input credit)

## Packaging laptop saves thousands

Michael's gross salary was \$80,000. By packaging a new top-of-the-line laptop worth \$3,300 instead of buying it from his take-home pay, Michael saved \$1,545.

His taxable income reduced by \$3,000, so Michael paid less income tax and Medicare levy, while his employer claimed back \$300 GST and refunded it to him.

	<u>Packaging</u>	<u>No package</u>
Total remuneration	80,000	80,000
Less: Laptop cost	3,300	Not packaged
Plus: GST claimed	300	Not packaged
Less: FBT	Nil	Not packaged
Taxable income	77,000	80,000
Less: tax	18,650	19,850
Less: Medicare	1,155	1,200
Less: Laptop cost		3,300
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Cash in hand	\$57,195	\$55,650
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**SAVING BY PACKAGING: \$1,545**

This example does not take into account Michael's super contributions.  
Source: Institute of Chartered Accountants of Australia.

**Government legislation for "salary-sacrifice" arrangements encourages employers to participate**

# Why choose Pinpoint for salary-sacrifice?

## 1. Better

- Superior, consumer offers. More choice. Refreshed continually.
- Quality, leading brands.
- Proactive communications to staff, paid by Pinpoint: emails, website, posters etc.
- Experience shows that proactive communications will lead to high % of staff taking advantage of various offers.
- Full compliance with the Tax Act.
- Security: no paper-docket abuses.
- Management reporting. Which products are hot. Who buys what. Take-up rates. Website visitors.
- Single point of accountability for service performance.
- Superior customer service
  - single-point access
  - knowledgeable staff
  - no high-pressure sales people
- No risk. Proven and turnkey. Pinpoint is a well-established and substantial supplier.

**Better**  
**Cheaper**  
**Faster**

### Results



Year	Take-up	Products
2003	<b>13.6%</b>	Notebooks
2004	<b>18.0%</b>	Notebooks, Handheld Computers
2005	<b>16.1%</b>	Notebooks, Handheld Computers, Portable Printers

- A very effective and valuable benefit for BP staff
- **35% of staff purchased** through the program
- 10% of staff purchased more than once
- Purchases exceeded **\$2 million** over 4 years

# Why choose Pinpoint for salary-sacrifice?

## 2. Cheaper

- Lower prices for your staff. Leverage our purchasing power established by our ongoing working relationship with leading manufacturing brands.
- No funding or financing required by you
- No fees per employee. No cost to you (for a generic program) while you facilitate the promotion of your Staff Benefits program to your employees.
- Little administration required by you: only approvals.
- Established systems and automation reduce program administration costs. No capital expense or extra headcount.



# Why choose Pinpoint for salary-sacrifice?

## 3. Faster

- Fast and easy to implement. A generic program can be launched in days
- Ease of purchase over the phone or web and direct delivery to nominated address.
- Automated end-to-end solution means faster delivery
- Customer service and all after-sales enquiries are all handled at first point directly with the employee.

**Better  
Cheaper  
Faster**



### How Westpac Staff Benefits works:-

- All 22,500 staff are enrolled in the program
- Employees can access the complete range of benefits on their dedicated benefits site
- Email statements are sent to staff monthly via an e-newsletter
- Product sourcing, fulfilment, & enquiries are handled by Pinpoint

### Results:-

- Over \$2.5 million in salary sacrifice purchases annually
- \$3.3 million total staff purchases

# How does it work? Pinpoint's salary-sacrifice processes

## 1. Order

Employee orders on [www.staffbenefits.com.au/](http://www.staffbenefits.com.au/)

## 2. Verification & approval

Orders are collated and sent to employer for approval.

## 3. Fulfilment

Pinpoint dispatches product. Pinpoint advises employer of employees' salary sacrifice payment plans.

## 4. Payment

Employer deducts instalments from employees' pre-tax salary and forwards to Pinpoint.

