

How does Salary Packaging work?

Salary Packaging is an ATO-approved method of restructuring your gross salary to ensure you pay less tax and have more take-home pay. For employees in the Charity, Public Health and PBI space, Salary Packaging goes some way to level the remuneration playing field with other sectors..



How does Salary Packaging work?

Pay for everyday items using pre-tax dollars

Salary Packaging makes it possible to pay for selected everyday expenses from your pre-tax salary.

It reduces your taxable income and puts more money in your pocket. Salary Packaging is an ATO approved method of restructuring your salary.

So how does salary packaging work?

When you package, money for certain personal expenses (called benefits) is deducted or 'sacrificed' from your salary before tax is taken out. You then only pay tax on the remaining portion of your salary.

How much can you package?

The ATO caps the amount of money an employee can package in standard benefits depending in which sector they operate. Annually, these caps are:

Public Hospitals:	\$9,010 net	(\$17,000 grossed-up)
Charities & PBIs:	\$15,900 net	(\$30,000 grossed-up)

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Packagable expenses

- Mortgage repayments
- Rent payments
- Personal loan repayments
- Credit Card repayments
- Laptops and smartphones
- New and used cars
- Living costs in remote areas
- Meal Entertainment
- Venue Hire

Indicative savings

If you maximise your salary packaging arrangement to the cap, the following savings are typical annually and fortnightly:

Public Hospitals

Salary	Annual	Fortnight
30,000	2,125	82
40,000	2,139	82
50,000	2,977	115
60,000	2,977	115
70,000	2,977	115

Charities & PBIs

Salary	Annual	Fortnight
30,000	2,808	108
40,000	4,004	154
50,000	5,148	198
60,000	5,512	212
70,000	5,512	212

