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Salary Packaging 101 for 2020 Medical Interns

Our industry alliances.



As the next cohort of the South Australian Government's Medical Interns prepare to begin work in January 2020, it's a good time to consider salary packaging to make the most of your income.

Hood Sweeney works closely with interns each year, and can advise and assist on salary sacrifice arrangements through Maxxia, the sole salary packaging provider under the SA Government Salary Sacrifice Arrangements (SAGSSA).

Salary packaging can be a tax-effective way to do more with your money.

In a regular situation, you go to work and get paid but before you get paid, your employer takes out income tax and deposits what is left over into your account. You then pay for all your living expenses using this money.

With salary packaging, your employer pays you the same salary but instead of paying all your expenses after you've been taxed, you pay for selected expenses before the tax is taken out. This could lower your taxable income and help you pay less tax.

The SA Government's Medical Interns commence employment in the week of **6 January, 2020**. With their first pay date slated for 31 January, 2020, the first pay available for Maxxia deductions will be 14 February, leaving a maximum of four pay periods in the Fringe Benefits Tax (FBT) year.

Medical interns should contact Maxxia by telephone before 22 January, 2020 if they wish to set up their salary packaging arrangements for the 2020 FBT year ending 31 March, 2020.

Maxxia consultants can assist interns to set up their account over the phone, explain the available benefits and any additional documentation needed to activate their account.

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If Medical Interns want to maximise their living expense benefits (\$9010) in the first three months up to 31 March, they will be able to do so by increasing their deductions across up to four pay periods with the funds being paid to a Maxxia Wallet Card which can be used for everyday living expenses.

During this short timeframe, accelerating or increasing deductions over and above the standard deduction of \$346.54 will not be able to be established for mortgage, rent or personal loans. They can however, set up at the standard fortnightly amount for these particular benefits and have this ongoing, provided that the appropriate documentation and substantiation is provided.

To find out exactly what documents are required to satisfy compliance with the Australian Tax Office, or to investigate salary packaging, contact Maxxia on 1300 123 123.

For Salary Packaging information for doctors in training, ring Hood Sweeney on 1300 764 200 or email Trien Ly⁺ at trien.ly@hoodsweeney.com.au

Hood Sweeney's Health team helps individuals and businesses with a full range of services, including:

- Financial and management accounting⁺
- Taxation advice and business structuring⁺
- Taxation compliance and reporting⁺
- Budgeting, cash-flow forecasting and financial modelling⁺
- Succession planning⁺
- Personal financial planning*
- Self-managed superannuation*
- Protecting you and your family*.

For further information on taxation and legal structures, business advice or financial reporting in the medical and healthcare sector, please contact:



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