

SALARY SACRIFICE FOR DIRECTORS POLICY

Purpose

To define the circumstances in which directors may apply their pre-income tax remuneration to personal expenditure or benefits.

Policy Statement

The laws relating to payment of Fringe Benefits Tax (FBT) allow South East Water to pay the remuneration of employees (including directors) towards some work and personal expenses without incurring the full FBT rate.

South East Water makes this facility available to all directors on the same basis as it does to employees, subject at all times to the directors being fully liable for payment of any FBT or other tax liability incurred in respect of any such payment or re-imbusement.

South East Water's Salary Sacrifice Options Policy and Novated Lease Guidelines are available for directors to use. Currently, these policies allow directors to salary sacrifice their remuneration for novated leases of motor vehicles, laptop computers (and similar electronic equipment), brief cases, a portion of their water bills and some water products.

The application of these policies for directors is consistent with public sector guidelines.

Responsible for Approval

Chairman of the Board of Directors

Executive Sponsor

Managing Director

Responsible for Implementation

Human Resources Branch

Related Documents and Relevant Legislation

- South East Water Salary Sacrifice Options Policy Document
- South East Water Novated Lease and Guidelines
- Income Tax Assessment Act 1936 (Commonwealth)
- Fringe Benefits Tax Assessment Act 1986 (Commonwealth)
- Income Tax Assessment Act 1997 (Commonwealth)

Approved: Board of Directors May 2006