



AUSTRALIAN  
CATHOLIC  
SUPERANNUATION  
RETIREMENT FUND

# WHAT YOU NEED TO KNOW ABOUT SALARY SACRIFICE

**A tax savings today and extra money to grow your super!**

**Salary sacrifice is a great way to give your super balance a boost while saving on tax.**

You can ask your employer to put some of your pre-tax salary directly into your superannuation account as an additional concessional contribution. Like your employer Superannuation Guarantee (SG) contributions, salary sacrifice contributions are taxed at a rate of 15% when received by the fund.

## **Benefits of salary sacrifice:**



**Increase your  
superannuation  
balance**



**Reduce the  
amount of tax  
you pay**



**In some cases,  
salary sacrifice can  
actually increase  
the amount of total  
money you make.**

## How salary sacrifice works:

Let's compare an employee's financial position with and without salary sacrifice.\* Sally is a 45-year-old school teacher who makes \$80,000 per year.

Sally's income	Salary sacrifice	No salary sacrifice
<b>Gross salary</b>	<b>\$80,000</b>	<b>\$80,000</b>
<b>5% salary sacrifice contribution</b>	<b>- \$4000</b>	<b>- \$0</b>
<b>Taxable income (Salary – Salary Sacrifice)</b>	<b>= \$76,000</b>	<b>= \$80,000</b>
<b>PAYG Tax</b>	<b>- \$17,767</b>	<b>- \$19,147</b>
<b>Take home (net) pay (Taxable income – PAYG tax)</b>	<b>= \$58,233</b>	<b>= \$60,853</b>
<b>9.5% Superannuation guarantee contribution</b>	<b>+ \$7,600</b>	<b>+ \$7,600</b>
<b>Salary sacrifice contribution</b>	<b>+ \$4000</b>	<b>+ \$0</b>
<b>15% contribution tax</b>	<b>- \$1740</b>	<b>- \$1140</b>
<b>Total net super contributions</b>	<b>= \$9860</b>	<b>= \$6460</b>
<b>Total super + take home pay</b>	<b>= \$68,093</b>	<b>= \$67,313</b>

\* Excludes Medicare Levy and assuming tax free threshold is claimed.

By choosing to salary sacrifice, Sally is better off by **\$780** per annum.

Over time, the amount invested in the super account will grow exponentially – this is called compound interest. Smaller contributions over the course of a person's career will result in a significantly higher balance than relying on SG contributions from your employer alone.

## What's next?



### Determine if salary sacrifice is right for you:

Use our salary sacrifice calculator to review your tax and financial situation: [catholicsuper.com.au/calculators](https://catholicsuper.com.au/calculators)



### Find out if salary sacrifice will influence any other benefits you receive:

Check with your employer and/or call us on **1300 658 776** for a complementary over-the-phone financial advice session.



### Decide how much you want to salary sacrifice:

Complete the form at [catholicsuper.com.au/pretax-form](https://catholicsuper.com.au/pretax-form) and send it to your employer. Work in WA? Make sure you fill in a 'Form 3' to begin salary sacrificing.