



**uniting
church**

in Australia,
Synod of NSW & ACT

Employment Manual –

Section 2: Remuneration and Benefits

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Table of Contents

1. General Remuneration.....	3
2. Salary Administration	4
3. Motor Vehicles	7
4. Salary Packaging	16
5. Job Evaluation	24
6. Performance Management System	25
7. Laptops	27
8. Mobile Phones	28

Annexures

41	Payroll Flow Chart and Documentation Requirements
42	Authorisation to make deductions
43	Total Remuneration (“TR”) Sheet
44	Form to amend employee payroll details
45	Form to amend Total Remuneration Package
46	Standard Choice Form
47	Motor Vehicle Agreement
48	Salary Packaging Form
49	Salary Packaging Sample TR Sheet – non cash benefits
50	Salary Packaging Sample TR Sheet – non-cash benefits plus motor vehicle
51	Uniting Financial Services Payment Request Form
52	Uniting Financial Services Request for Periodic Payment Form
53	Uniting in Service Handbook

1. General Remuneration

1.1 INTRODUCTION

1.1.1 All employees are paid for their services in money. Subject to 1.1.2, payment is regarded to have been made in money only if it is paid either in cash or by cheque or electronic funds transfer into an account, in the name of the employee, at a financial institution.

1.1.2 The payment of remuneration to an employee must be made in full and without any deduction. In addition, there must not be any imposition placed upon the employee regarding the place where, the manner in which or the person with whom any remuneration is to be spent.

1.1.3 Documentation

In order to ensure the employer complies with legislative requirements in respect of employee records, employers must provide employees with and retain certain levels of documentation. This documentation includes but is not limited to all facets of payroll documentation and records. Any amendments to employee records must therefore be authorised in writing by either the employer or the employee. (See *Annexure 41*)

1.1.4 Authorised Deductions

Employees may authorise their employer to make certain deductions from their pay. Such authorisation must be lodged in writing with the employer before any deductions can be processed. (See *Annexure 42*)

Therefore a deduction(s) from an employee's remuneration under a salary packaging arrangement, which is clearly for the benefit of the employee, is acceptable. (See *Section 2 Part 4 Salary Packaging*)

1.1.5 Professional or Association Membership Fees

At the employer's discretion, the employer may pay or subsidise employee's professional or association membership fees if they directly relate to position or function of the organisation within which the employee is employed. While such payment of fees is a benefit provided to an employee, the payment is an employer deductible expense and is not to be identified as part of an employee's total remuneration package.

1.2 SEE ANNEXURE

Annexure 41 Payroll Flow Chart and Documentation requirements

Annexure 42 Authorisation to make deductions

2. Salary Administration

2.1 INTRODUCTION

Within the Church there are two categories of employees Award and Award free. (See Section 1 part 1.2 overview for definitions)

2.2 AWARD EMPLOYEES

2.2.1 Award Employees are defined as employees whose occupation or the industry in which they work is specifically identified as being covered by the Area, Incidence and Duration of an Award or Industrial Agreement.

2.2.2 The Award or Industrial Agreement stipulates the minimum remuneration payable and conditions of employment applicable to employees covered by the particular award. Remuneration levels and conditions of employment vary from award to award.

2.2.3 For advice on the application and interpretation of awards including remuneration please consult HR.

2.2.4 Wage Administration

- Junior award employees (employees up to age 21 years), who are remunerated as juniors, must have their wages reviewed annually on their birthdays as well as whenever there is a relevant award wage increase.
- Any change to an employee's conditions of employment, including wage adjustments must be documented and confirmed in writing to the employee following approval.
- A copy of the written notification must be placed on the employee's personnel and payroll files. This written communication must include a "Total Remuneration ("TR") Sheet", which identifies all aspects of an employee's remuneration package. (see Annexure 43)

2.2.5 The employee's Manager must complete a Form to amend employee payroll details and a Form to amend Total Remuneration Package for any wage adjustment. These forms must be authorised by the employee's Manager and forwarded to HR with a TR sheet attached. (see Annexure(s) 43 and 44)

2.3 AWARD FREE EMPLOYEES

2.3.1 Award free employees are defined as any employees who are not covered by an Award or Industrial Agreement.

2.3.2 The conditions of employment for award free employees are based upon common law and prevailing, employment and industrial legislation and are normally detailed in their letter of offer or employment contract.

2.3.3 Salary determination for award free employees requires a methodical and considered approach. It will normally take into consideration market salary movements and the employer's financial capacity to meet such movements in order to attract and retain high calibre employees. The two main elements of salary determination are:

- The Position

Each individual position needs to be evaluated and take into account current market rates, cost of living, general state of the economy and other relevant data.

Any resultant salary range will need to provide the employer with scope for rewarding individual performance as measured against the specified requirements of the position

- Employee Performance

The employee's place within a resultant salary range is determined by the measurement of the employee's performance against the specified agreed objectives of the position over the preceding twelve months.

2.3.4 Notwithstanding 2.3.3 above and while Lay Ministry Agents are award free employees, it is important that a certain level of parity be maintained across similar roles within the Church and that the level of remuneration meets prevailing industrial legislation. To guide employers within the Church, please see *Annexure 2 – Lay Ministry Agent Remuneration Guidelines*

2.3.5 Salary Reviews

- It is recommended that employers review remuneration levels on an annual basis to ensure that remuneration levels remain contemporary with external factors such as, but not limited to inflation, CPI and market movements.
- HR is available to assist in the formulation of recommendations for consideration by employers.

2.3.6 Salary Increases

Salary increases should not be automatic adjustments, should be performance based and designed to reward employees for distinctive performance.

2.3.7 Approvals required for salary increases

- Where applicable, the employee's manager and his or her manager, i.e. two levels of management, must review every recommendation for an employee's salary increase.
- All salary increases must have the prior approval of the employer, and if applicable the relevant Board approval.
- Employees should not be advised of any salary increases until all necessary approvals have been obtained and Managers have received advice of approvals.
- Any change to an employee's conditions of employment, including salary adjustments must be documented and confirmed in writing to the employee following approval.
- A copy of the written notification must be placed on the employee's personnel and payroll files. This written communication must include a "Total Remuneration ("TR") Sheet", which identifies all aspects of an employee's remuneration package. (see *Annexure 43*)
- The employee's Manager must complete a Form to amend employee payroll details and a Form to amend Total Remuneration Package for any wage adjustment. These forms must be authorised by the

employee's Manager and forwarded to HR with a TR sheet attached.
(see Annexure(s) 44 and 45)

- Managers are responsible for ensuring that each employee receives written advice of salary alterations including a TR Sheet.

2.4 SUPERANNUATION FOR ALL EMPLOYEES

2.4.1 Choice of Fund legislation became operative on 1st July 2005. This Commonwealth legislation has effect only upon those employees who are covered by Federal Awards, non award staff and those whose terms and conditions of employment are regulated by some other form of federal instrument.

Unless provided for within a relevant award or industrial agreement, the employer shall contribute to a superannuation fund as specified in 2.4.2 on behalf of each eligible employee, such superannuation contributions as required to comply with relevant superannuation legislation as amended from time to time.

2.4.2 Unless provided for within a relevant award or industrial agreement, the "default fund" shall mean the Uniting Church Staff Superannuation Plan ("UCSuper"). UCSuper can be contacted on 1800 811 145 or via their website www.ucsuper.com.au

2.4.3 Employees may make contributions to the Fund as specified in 2.4.2 in addition to those made by their employer. These contributions may be made from either the employee's pre or post tax remuneration. Employees should seek independent financial advice on the most suitable option for their circumstances.

2.4.4 Effective from 1 July 2009 employers will be required to report the value of all additional pre-tax superannuation contributions that employees elect to make, on the employee's annual Payment Summary. These additional superannuation contributions are known as "Reportable Superannuation Contributions".

2.4.5 Where eligible employees elect to exercise their right to Choice of Fund, they must complete the Standard Choice Form and lodge the completed form with relevant documentation attached with HR. Any transfer to a choice of superannuation fund must be completed within two months of the completed documentation being received. Employees may only make an election in respect to Choice of Superannuation fund once in any twelve (12) month period. (See Annexure 46)

2.5 SEE ANNEXURE

Annexure 2	Lay Ministry Agent Remuneration Guidelines
Annexure 42	Authorisation to make deductions
Annexure 43	Total Remuneration ("TR") Sheet
Annexure 44	Form to amend employee payroll details
Annexure 45	Form to amend Total Remuneration Package
Annexure 46	Standard Choice Form

3. Motor Vehicles

3.1 INTRODUCTION

Employers may provide fully maintained motor vehicles for selected positions.

3.1.1 “Selected positions,” means:

- Positions where extensive customer/client visits or the transportation of bulky equipment are a requirement in carrying out the duties of that role and the vehicle is not used or available for use for any personal travel and is housed on the employer’s premises when not required for work related use(“tool of trade”); or
- Positions, which are identified by individual employers as positions where it is necessary to provide a motor vehicle as part of the total remuneration package in order to attract, retain and motivate high quality employees (“benefit”).

3.1.2 The employer in consultation with the employee, will decide upon the make, model and colour of the vehicle after having taken into consideration the employee’s current position and seniority within the organisation, their total remuneration package and the necessity for the vehicle to be surrendered to another person should the employee’s employment be terminated.

3.1.3 The approval of a motor vehicle make and model must also take into consideration the public’s perception of the employer specifically and the Church in general. It is therefore important that employers do not approve a motor vehicle make or model that would expose either themselves or the Church to being labelled frivolous or excessive.

3.1.4 The purchase price including GST for a motor vehicle must not exceed the Australian Tax Office depreciation limit which is currently \$57,466 for the 2011/12 financial year. This limit may only be exceeded in exceptional circumstances and requires the prior authorisation of the employer and/or relevant governing body such as a Board. In such circumstances the employee will also be required to salary sacrifice the excess amount from their total remuneration package.

3.1.5 Where an employee who occupies a selected position which includes a benefit vehicle as defined in 3.1.1 above, seeks to select a make or model of motor vehicle that falls outside the scope of the current fleet purchasing arrangements entered into by the Church, the employee, may at the Executive Director’s discretion, do so conditional upon the employee entering into a novated lease for the said vehicle.

Given the aforementioned, any consideration for the approval of a novated lease will be conditional upon the employee providing the Executive Director with a business case to support and substantiate the need for:

- an alternate make or model of motor vehicle; and
- The Uniting Church in Australia Property Trust (NSW) to enter into a novated lease agreement.

3.2 PROCEDURE

3.2.1 Selection

- In selecting vehicles consideration should be given to the following inclusions:
 - Automatic Transmission, unless otherwise agreed;
 - ABS brakes;
 - Air conditioning;
 - Car alarm (if not factory fitted);
 - Air bags;
 - Floor mats to maintain the vehicle's re-sale value;
 - Mud flaps to maintain the vehicle's re-sale value;
 - Power steering;
 - Car kits (for positions that have been issued with a mobile phone) to comply with Motor Vehicle and Occupational Health and Safety legislation.
 - Cargo Barriers, where applicable.
- The criteria for evaluating the suitability of a motor vehicle model includes, but is not limited to, the:
 - Number of passengers to be transported on a regular basis;
 - Need to transport bulky luggage and/or equipment on a regular basis;
 - Need to tow objects on a regular basis;
 - Location (city/country);
 - Type of roads to be travelled on a regular basis;
 - Duration of trips undertaken;
 - Period the vehicle is to be retained for;
 - Mileage the vehicle will travel over the period of retention.

3.2.2 Procurement

- Subject to commercial viability, vehicles may either be purchased or leased.
- The employer is responsible for ensuring that relevant Fleet owner discounts and exemptions are utilised when purchasing a vehicle.
- All vehicles are to be purchased or leased, registered and insured in the name of the legal entity of the Church, which is the Uniting Church in Australia Property Trust (NSW) or (ACT) as applicable. For NSW based organisations this will also assist in maximising exemptions from NSW stamp duty.
- All vehicles must be registered for private use only and insured comprehensively through the Uniting Church Insurance Fund.
- The employer is responsible for ensuring that registration and

insurance for all purchased or leased motor vehicles is procured through Uniting Resources.

- All vehicles are fully maintained by the employer.
 - **“Fully maintained”** means on-road costs, registration, comprehensive and CTP insurance, servicing, maintenance, repairs, motor club membership and petrol.
- Where a vehicle is provided to a position for the first time, approval of the Executive Director and/or relevant Board is required.
- Optional extras, will only be considered in situations where the inclusion of such optional extras has direct relationship to the role being undertaken by the custodian and are at the cost of the custodian, unless previously negotiated with the Executive Director:
 - All optional extras must be factory fitted or manufacturer recommended e.g. tow bar, navigation system, etc;
 - The cost effectiveness and impact on future trade- in/resale value should be considered by the Executive Director prior to authorising installation;
 - Fitting of such extras is to be approved by the Executive Director and installation is to be carried out by an appropriate installer;
 - Where the cost of optional extras results in the purchase price of the vehicle exceeding the current Australian Tax Office depreciation limit the cost of the options will be at the custodian’s expense;
 - The custodian may remove any optional extras paid for by the custodian when the vehicle is returned, provided no damage or decrease in value of the vehicle results.
 - If a custodian terminates their employment prior to the cessation of the agreed period for which the vehicle is to be retained all optional extras must remain on the vehicle and there is no refund of any private expenditure unless agreed by the Executive Director;
 - Custodians may fit removable minor extras e.g. seat covers, carry bars etc at their own expense;
 - Car kits, for custodians who are not issued with employer owned mobile phones, may only be installed with the prior approval of the Executive Director and are at the custodian’s own expense;
 - The weight of any object towed by a vehicle must not exceed the weight specified by the manufacturer and legal towing limits applying in New South Wales and the ACT as applicable.

3.2.3 Remuneration Value of Motor Vehicles and Employer provided Car Parking

- Tool of Trade

In positions where vehicles are provided to an employee as an adjunct to their work responsibilities and there is no personal use

component available to the employee, the value of the motor vehicle and car parking costs do not form part of an employee's total remuneration package (unless specifically agreed in writing to the contrary).

- **Benefit**

In positions where vehicles are provided to employees as a benefit in order to attract, retain and motivate high quality employees, the value of the motor vehicle and any employer provided car parking forms part of an employee's total remuneration package. *(Refer to Section 2 Part 4 Salary Packaging)*

3.2.4 Changeover of Vehicles

- Changeover of vehicles will occur at the discretion of the Employer and will generally not exceed an upper limit of three (3) years or 45,000 kilometres whichever ever occurs first.
- The period of retention may be varied if previously agreed by the Executive Director and substantiated by due diligence.

3.2.5 Fringe Benefit Tax ("FBT")

- FBT does not apply to vehicle custodians who can demonstrate, by maintaining a twelve (12) week log book in an approved format, that the vehicle assigned to them is solely used for work related purposes and has no personal use content whatsoever;
- The custodian's manager must maintain accurate odometer readings for all motor vehicles. Readings for each vehicle should be taken at the start (1 April) and finish (31 March) of each FBT year and whenever a motor vehicle is changed over;
- The custodian's manager must also maintain records of any reimbursement made by the custodian to the employer in respect of specific car expenses such as repairs, fuel or oil. These reimbursements are known as "Recipients Payment" and reduce the taxable value of a motor vehicle fringe benefit;

3.3 **GENERAL RESPONSIBILITY**

- #### 3.3.1
- The custodian's manager or their appointed representative should inspect motor vehicles whenever a vehicle is surrendered or a changeover of custodians occurs.

Interim and periodic inspections may also be made, subject to the provision of 24 hours notice from the custodian's manager to the custodian.

- #### 3.3.2
- The employer may suspend or discontinue the availability of a vehicle to any individual at any time if the nature of that individual's position no longer calls for the use of a vehicle, if the type of vehicle is no longer deemed appropriate or for any breach of this policy such that the custodian is judged not to be responsible in their care of any vehicle. In addition the employer may take disciplinary action.

- #### 3.3.3
- All employees to whom a car is assigned are required to complete a Vehicle Agreement Form. A new vehicle will not be provided until a signed

agreement is received, unless the agreement forms part of the employee's contract of employment (*see Annexure 47*).

- 3.3.4 The custodian's manager must ensure that the custodian has completed and returned their signed Vehicle Agreement Form, are totally familiar with this Motor Vehicle Policy, including the procedures for reporting accidents, breakdowns and maintenance and have a current drivers license before the custodian assumes custody of a motor vehicle.
- 3.3.5 The custodian's manager is responsible for undertaking periodic vehicle inspections and recording and monitoring fuel consumption to ensure that vehicles are being maintained and driven in accordance with this policy. Fuel consumption can be monitored by checking the value and frequency of employee requests for reimbursement of fuel expenses.
- 3.3.6 The custodian's manager is responsible for maintaining an up- to-date register of all motor vehicles held. Such records should distinguish tool of trade vehicles from those offered as a benefit in a remuneration package.
- 3.3.7 The following information is to be kept by each manager:
- (i) Employer name;
 - (ii) Custodian Name;
 - (iii) Custodian License Number;
 - (iv) Registration Number;
 - (v) Make and Model;
 - (vi) Year purchased;
 - (vii) VIN and Chassis Number;
 - (viii) Location or garage address;
 - (ix) Tool of Trade or benefit vehicle;
 - (x) Purchase price (actual);
 - (xi) Purchase price (list price including GST, fleet discount, dealer and delivery charges);
 - (xii) Odometer readings (opening and closing readings for each FBT year);
 - (xiii) Personal contributions to running costs in the current FBT year;
 - (xiv) Inspection reports detailing the state of vehicles at surrender or transfer plus closing kilometres and details pertaining to new custodians.
- 3.3.8 Given the provisions of 3.2.2 above, the employer must also ensure that the information maintained in accordance with 3.3.7(i) – (viii) above is provided to Uniting Resources - Risk and Insurance Services immediately the following circumstances arise:
- The purchase of a motor vehicle; or
 - The disposal of a motor vehicle; and

- Any change whatsoever in the details of 3.3.7(i) – (viii) above that have already been provided to Uniting Resources

3.4 VEHICLE USE AND SECURITY

- 3.4.1 When vehicles are not in use, the custodians are required to take reasonable steps to secure the motor vehicle. Vehicles are not to be left overnight at unsecured locations or premises.
- 3.4.2 Security alarms, where installed, should be activated when absent from the vehicle.
- 3.4.3 Vehicle custodians must not leave valuable items such as laptops, mobile phones and GPS Navigators in vehicles when unattended.
- 3.4.4 Custodians are to ensure that vehicles are properly maintained in both appearance and running order.
- 3.4.5 As part of the maintenance of vehicles, custodians are required to ensure that their vehicles are regularly washed, the interior cleaned and that the general appearance of the bodywork and internal trim is maintained at a high standard. All costs associated with car washing and interior cleaning are to be borne by the custodian.
- 3.4.6 Costs incurred for road, bridge tolls or car parking on trips to and from the place of employment (personal use) are borne by the custodian. The employer upon the presentation of receipts will reimburse costs incurred through work related use.
- 3.4.7 Vehicles must not be driven whilst the custodian is using their mobile phone or engaged in other activities which may impede their ability to judge traffic or adhere to road rules, including driving under the influence of alcohol, medication that may impair reflex or any other drugs. Smoking is not permitted at any time in Church owned vehicles.

3.5 SERVICING, REPAIR AND PETROL

- 3.5.1 All repairs, servicing etc. must be carried out by an authorised dealer while under warranty. At the conclusion of the warranty period, custodians may elect to change service providers, providing that the person/s undertaking the maintenance is suitably qualified, this includes car batteries, tyres and windscreens.
- 3.5.2 The cost of maintaining and operating a church vehicle is met by the employer. The cost of petrol purchased by a custodian while engaged in private motoring at weekends or while on leave be paid by the employer only where it forms part of the employee's contract of employment and on the provision that such travel is not extensive. The use of motor vehicles during periods of leave will be at the Executive Director's discretion.
- 3.5.3 Expenses incurred through the purchase of petrol, motor vehicle repairs and maintenance etc should be, where applicable, charged to the custodian's fuel card or corporate credit card. Where a fuel card or corporate credit card is not available, the employer will upon the production of cash or credit card receipts reimburse expenses.
- 3.5.4 The custodian is responsible for carrying out regular maintenance, between service checks, e.g. fluid levels, tyre pressure etc.

3.5.5 Fuel and Minor repairs

- All church vehicles must be regularly maintained;
- All servicing, tyre replacement and minor repairs should be undertaken by a suitably qualified person;
- It is recommended that where a Fuel Card is issued to custodians, it is only to be used to purchase fuel, oil and minor repairs and odometer readings must be recorded each time fuel is purchased;
- In the event of unforeseen costs being personally incurred by the driver, the driver should obtain receipts and arrange reimbursement through the employer. Full details of the expenditure must accompany the claim.

3.5.6 Vehicles will not be accepted for re-sale, trade-in or transfer to another driver in a dirty condition. The onus is on the custodian to ensure the vehicle is in a suitable condition for re-sale, trade- in or transfer. Any excessive cleaning charges will be borne by the custodian.

3.6 WORK RELATED AND PERSONAL USE

3.6.1 Motor vehicles must never be driven whilst under the influence of alcohol or mind altering substances, including medication which could cause drowsiness, inhibit alertness or response rates. *(See also 3.4.7)*

3.6.2 Where it has been previously agreed to by the Executive Director and/or it is contained within the custodian's letter of offer, benefit motor vehicles are available for private use by the custodian, e.g. weekend travel and leave. *(See also 3.5.2)*

3.6.3 Where the motor vehicle is a specialist or service type vehicle, it is not to be used for private travel by the custodian and must be garaged at the place of employment.

3.6.4 Limited use of a motor vehicle out of working hours, by a member of the custodian's immediate family is permitted.

3.6.5 It is the responsibility of the custodian to ensure that all drivers authorised by the custodian to drive the vehicle have current driver's licences.

3.7 TRAFFIC INFRINGEMENTS

3.7.1 All traffic infringements such as speeding, parking or red-light camera offences are the personal responsibility of the custodian.

3.7.2 The custodian's manager **must** complete the statutory declaration, on the reverse of the Infringement Notice, to ensure that the infringement is "signed over" to the actual driver of the vehicle.

If this is not completed, as a matter of priority, and the infringement remains unpaid, the Roads and Traffic Authority have the authority to suspend the registration of all vehicles registered in the Church's name.

3.8 DRIVER'S LICENCE

3.8.1 The custodian's manager is responsible for ensuring that the custodian holds a **current Australian or International** licence before assigning a

motor vehicle to them. **Licences issued by countries other than Australia are not acceptable.**

- 3.8.2 Where custodians have committed a traffic infringement, which affects the status of their driver's licence or accrues sufficient demerit points to warrant the potential or actual cancellation of a driver's licence, the custodian must inform their manager immediately. The employer may, depending upon the circumstances, take disciplinary action, which can include the withdrawal of the motor vehicle benefit.

3.9 ACCIDENTS

- 3.9.1 Custodians should ensure that a copy of the procedures to follow in the event of an accident involving a church provided vehicle are kept in the glove box of the vehicle. Custodians should be familiar with these instructions, and if such a situation arises, follow them.

3.9.2 Accident Procedure

- Do not admit liability;
- Record the relevant information about the accident such as:
 - Name and permanent address of the owner of other vehicle(s);
 - Name and permanent address and licence of other driver(s);
 - Registration number and description of other vehicle(s);
 - Name of other vehicle(s) insurance company;
 - Description of damage to other vehicle(s) or third party property;
 - Date, time, place of accident and road conditions;
 - Names and permanent addresses of any witnesses
 - Name(s) and station of any attending police officer(s).
- If the police do not attend, report the accident immediately as required by law;
- If someone is injured it should also be reported to the Compulsory Third Party Insurers.

3.9.3 Repair and Insurance Claim Procedures

- All church provided vehicles are insured through the Church's insurer. Insurance contact details are contained in the vehicle custodian booklet, which, should be kept in the glove box of every church vehicle;
- It is the custodian's responsibility to liaise with the insurer direct in order to ascertain names of approved repairers. Custodians should submit three quotes for repairs to the insurer for authorisation.

- 3.9.4 The employer may, depending upon the circumstances, take disciplinary action where custodians are involved in more than two at fault accidents in any twelve (12) month period. Such action may include but not be limited to remedial driver training or the withdrawal of the motor vehicle benefit.

- 3.9.5 Custodians must report all vehicle damage immediately it occurs to their employer.
- 3.9.6 If the vehicle has been damaged or involved in an accident, please complete the necessary insurance claim forms, obtain quotes and submit documentation to the insurer within ten (10) days of the damage or accident occurring.
- 3.9.7 Once approval for the repairs is obtained from the insurance company, all repairs must be effected within thirty (30) days of such approval, unless delayed due to the repairers workload.

3.10 ACCEPTANCE OF VEHICLE

- 3.10.1 In signing for and being allocated a Church provided vehicle, the custodian acknowledges acceptance of the Church's Motor Vehicle Policy in that the vehicle is supplied for the sole purpose of the custodian:
 - carrying out their job responsibilities; or
 - Receiving a benefit as part of their employment contract. And they agree to be bound by the terms and conditions contained within the Church's Motor Vehicle Policy.

3.11 TRAVELLING ALLOWANCE FOR THE USE OF PERSONAL MOTOR VEHICLE

- 3.11.1 Where an employee, who is not provided with a motor vehicle by their employer, is required to use their private motor vehicle for work related purposes, the employee may claim travelling allowance pursuant to the relevant Award that covers the employment of the employee or the Australian Tax Office rates for Award Free employees;
- 3.11.2 Current Travelling rates per kilometre can be obtained from either HR or the Australian Taxation Office website www.ato.gov.au
- 3.11.3 The employer may direct employees to maintain a log, of all work related trips undertaken, for taxation purposes.

3.12 SEE ANNEXURE

Annexure 47 Motor Vehicle Agreement

4. Salary Packaging

4.1 INTRODUCTION

- 4.1.1 As organisations within the church are charitable institutions endorsed by the Australia Taxation Office they receive the following taxation exemptions or concessions:
- Income tax exemption;
 - GST charity concessions; and
 - FBT rebate
- 4.1.2 Notwithstanding 4.1.1 above, some church organisations are also endorsed as a Public Benevolent Institutions (“PBI”) by the Australian Taxation Office and they are entitled to receive an FBT exemption instead of an FBT rebate.
- 4.1.3 The exemptions or concessions referred to in 4.1.1 and 4.1.2 therefore enable the respective employer to offer eligible employees the opportunity to salary package non-cash benefits as part of their Total Remuneration Package because the benefits do not attract income tax and are subject to either an FBT rebate or exemption.
- 4.1.4 Eligible employees will be offered the opportunity to salary package non-cash benefits, as part of their Total Remuneration Package, up to the pre-determined maximum limit as set by the Australian Taxation Office. The current maximum limit set by the Australian Taxation Office is capped at \$30,000 “grossed up” per annum. All amounts in excess of this cap are referred to as “Aggregate Non-Exempt Amounts” and will attract Fringe Benefits Tax regardless of the exemptions or concessions granted to the employer.
- 4.1.5 Given 4.1.1 and as salary packaging is most tax effective for employees who pay the top marginal rate of taxation, employers who receive an FBT rebate should only offer salary packaging to employees whose taxable income falls within the top two marginal rates of taxation, which currently takes effect from \$80,001 per annum.
- 4.1.6 “**Grossed up**” means the gross salary that the employee would have had to earn to purchase the benefit from after tax dollars. This is calculated at the highest marginal tax rate, including the Medicare levy. To calculate the actual dollar value of the grossed up limit, divide the grossed up value by the relevant Australian Tax Office gross up rate:
- 1.8692, if there is no GST input credit applicable to the benefit; or
 - 2.0647 If there is a GST input credit applicable to the benefit.

4.2 POLICY

- 4.2.1 The employer shall ensure that the structure of any agreed salary packaging complies with taxation and other relevant legislation.
- 4.2.2 Employees should discuss salary packaging with their financial advisor prior to electing to accept the employer's offer of salary packaging.
- 4.2.3 Subject to the mutual agreement of the employer and the employee, full time and part time employees may be offered the option to have part of their pre tax remuneration package packaged into employee superannuation contributions (which are subject to age based limits) and/or a fringe benefit (whose grossed up value does not exceed \$30,000) and, which does not constitute a direct payment to the employee but is payable to a bona fide third party and/or reimbursement of payments made by the employee and substantiated by receipts. (See *Annexure 48*)
- 4.2.4 Neither the employer nor the employee may be compelled to enter into a salary packaging agreement.
- 4.2.5 The employer has the right to vary or withdraw from a salary packaging agreement and/or withdraw from offering salary packaging in the event of amendments to legislation that are detrimental to, or increase the costs of, salary packaging arrangements.
- 4.2.6 In the event that the employer's tax-free status is removed for whatever reason, the individual employee's salary will be adjusted in accordance with award, industrial agreement or letter of offer provisions.
- 4.2.7 Notwithstanding any of the above arrangements, the employer or the employee may cancel any salary packaging agreements by the giving of one (1) month's notice of cancellation to the other party.

4.3 SALARY PACKAGING OPTIONS

Subject to the employer's discretion and/or provisions contained within an award or industrial agreement, the following two salary packaging options are available to eligible employees in addition to any mutually agreed salary sacrifice to superannuation.

- 4.3.1 Where an employee has not been offered a benefit motor vehicle as part of their Total Remuneration Package, they can salary package the total grossed up benefit as a non cash benefit payable to a bona fide third party and/or reimbursement of payments made by the employee and substantiated by receipts.
- 4.3.2 Where an employee has been offered a benefit motor vehicle as part of their Total Remuneration Package (see *Section 2 Part 3 – Motor Vehicles*), they can salary package a portion of the grossed up benefit as a non cash benefit payable to a bona fide third party and/or reimbursement of payments made by the employee and substantiated by receipts, with the remainder being apportioned to the benefit motor vehicle.

4.4 CALCULATING THE VALUE OF NON-CASH BENEFITS FOR SALARY PACKAGING PURPOSES

4.4.1 Where an employee has been offered the opportunity to salary package in accordance with 4.3.1 above, the actual dollar value of the non-cash benefits included in the employee's Total Remuneration Package is calculated as follows:

A / B = C Where:

A "ATO Grossed up cap" = \$30,000

B "ATO Gross up rate" = 1.8692 or 2.0647

Or a combination of both rates (see 4.1.6)

C "Actual dollar value of non cash benefit provided"

With the values for A and C being incorporated into the employee's TR Sheet. (See Annexure 49)

4.4.2 Where an employee has been offered the opportunity to salary package in accordance with 4.3.2 above, the actual dollar value of the non-cash benefits included in the employee's Total Remuneration Package is calculated as follows:

A – D = E

E / B = C

Where:

A "ATO Grossed up cap" = \$30,000

B "ATO Gross up rate" = 1.8692 or 2.0647

Or a combination of both rates (see 4.1.6)

C "Actual dollar value of non cash benefit provided"

D "Grossed up value of benefit motor vehicle" (see 4.4.4)

E "Grossed up value of non cash benefits provided"

With the values for C, D and E being incorporated into the employee's TR Sheet. (See Annexure 50)

It is important to note that the sum of D and E must be equal to or less than the value A.

4.4.3 Value of Benefit Motor Vehicles in Total Remuneration Packages

The value of a benefit motor vehicle is included in an employee's Total Remuneration Package, to reflect the "notional" cost to the employer of providing such a benefit to the employee.

The value of the benefit motor vehicle is calculated using the Mercer Human Resource Car Formula, which is updated annually on a financial year basis.

The Mercer Human Resource Car Formula for 2011/201 is

$$F \times 0.320 + \$4983 = G$$

Where

“F” is the list purchase price of the vehicle including optional extras; stamp duty, GST, dealer and delivery fees less fleet owner’s discount. Registration and insurance costs and FBT are not included.

At the discretion of the Executive Director and where it is a requirement of employment for an employee to have a motor vehicle as part of their total remuneration package, GST may be excluded from the above values.

“\$4983” is the GST exclusive running costs (i.e. after input tax credits)

“G” is the notional value of the benefit vehicle in the Total Remuneration Package

With the value for G being incorporated into the employee’s TR Sheet. (See Annexure 50)

Note this formula does not include FBT and assumes 100% personal use component.

4.4.4 Grossed up Value of Benefit Motor Vehicles in Total Remuneration Packages

The grossed up value of a benefit motor vehicle is calculated as follows:

$$F \times H \times I = D$$

Where:

F is the list purchase price of the vehicle including optional extras; stamp duty, GST, dealer and delivery fees less fleet owner’s discount. Registration and insurance costs and FBT are not included.

H ATO Statutory Rate for FBT purposes, which corresponds to the annual mileage travelled by the motor vehicle per annum.

The current ATO Statutory Rates are:

Annualised Kilometres	Statutory percentage in the FBT year			
	From 10 May 2011	From 1 April 2012	From 1 April 2013	From 1 April 2014
0 – 14,999	20%	20%	20%	20%

15,000 to 24,999	20%	20%	20%	20%
25,000 to 40,000	14%	17%	20%	20%
More than 40,000	10%	13%	17%	20%

I “ATO Gross up rate” = 2.0647

D “Grossed up value of benefit motor vehicle”

With the value for D being incorporated into the employee’s TR Sheet.

(See Annexure 50)

4.4.5 Inclusion of FBT in Total Remuneration Packages

Where an employer receives an FBT rebate, the FBT payable in respect to an employee’s salary package will form part of the employee’s Total Remuneration Package.

Non-Cash Benefit FBT calculation

$$(C \times B \times J) \times (1 - K) = L$$

Where:

B “ATO Gross up rate” = 1.8692 or 2.0647

Or a combination of both rates (see 4.1.6)

C “Actual dollar value of non cash benefit provided”

J “ATO FBT percentage” = 46.5%

K “ATO FBT rebate” = 48%

L value of FBT payable on non-cash benefits in the salary package

With the value for L being incorporated into the employee’s TR Sheet.

(See Annexure(s) 49 and 50)

Motor Vehicle FBT calculation

$$(F \times I \times J \times H) \times (1 - K) = M$$

Where:

F is the list purchase price of the vehicle including optional extras; stamp duty, GST, dealer and delivery fees less fleet owner’s discount. Registration and insurance costs and FBT are not included.

At the discretion of the Executive Director and where it is a

requirement of employment for an employee to have a motor vehicle as part of their total remuneration package, GST may be excluded from the above values.

H ATO Statutory Rate for FBT purposes, which corresponds to the annual mileage travelled by the motor vehicle per annum.

The current ATO Statutory Rates are:

Annualised Kilometres	Statutory percentage in the FBT year			
	From 10 May 2011	From 1 April 2012	From 1 April 2013	From 1 April 2014
0 – 14,999	20%	20%	20%	20%
15,000 to 24,999	20%	20%	20%	20%
25,000 to 40,000	14%	17%	20%	20%
More than 40,000	10%	13%	17%	20%

I “ATO Gross up rate” = 2.0647

J “ATO FBT percentage” = 46.5%

K “ATO FBT rebate” = 48%

M value of FBT payable on a motor vehicle in the salary package

With the value for M being incorporated into the employee’s TR Sheet.
(See *Annexure 50*)

4.5 PROCEDURES

4.5.1 Where the employee elects to salary package they must complete an election form, authorising the employer to either pay non-cash benefits to a bona fide third party or make reimbursement of payments made by the employee and substantiated by receipts and return it to their Manager.
(See *Annexure 48*)

4.5.2 Upon receipt of the completed documentation, the Manager will arrange to open a “Benefit Account” held in the employer’s name with the employer’s designated salary packaging provider.

4.5.3 Once the Benefit Account is opened the employer will complete an Employee Amendment Form (see *Annexure 44*) and forward it with the completed Annexure 48 and Benefit Account details to HR.

4.5.4 The employee can request to have the employer pay, from the Benefit Account, the cost of invoices for goods or services incurred by the employee and/or the reimbursement of payments made by the employee

which are substantiated by receipts. This may include credit card invoices, mortgage repayments, education costs, utility invoices etc.

- 4.5.5 It is important to note that the employer will only make payment to third parties against tax invoices either received by the employee for payment or paid by the employee and substantiated by receipts.
- 4.5.6 When payments are requested, the employee completes the necessary documents required by the employer's designated salary packaging provider and where applicable attaches relevant tax invoices and/or receipts, obtains the authorisation of two recognised signatories and forwards the authorised form to the employer's designated salary packaging provider for processing. For employers using Uniting Financial Services as their designated salary packaging provider please see Annexure 51.
- 4.5.7 For employers using Uniting Financial Services as their designated salary packaging provider a "Request for Periodic Payment Form" may also be completed to cover regular payments to financial institutions. Please note as there is no facility to periodically make electronic payments to credit cards, employees seeking to request regular payments to their credit cards will need to complete the documentation in 4.5.6 to facilitate such payments. (See *Annexure 52*)
- 4.5.8 Employees must note that payments will only be made on their behalf providing that there are adequate funds to cover payments requested.
- 4.5.9 **Payment Details**
- The employee shall have access to details of the payments and transactions made on their behalf. In the case of employers using Uniting Financial Services as their designated salary packaging provider, individual printed receipts will be provided for each payment requested in addition to detailed quarterly statements.
- 4.5.10 **Time limit for using funds**
- All remuneration salary packaged by the employee to a Benefit Account must be drawn down to a zero balance before the end of the FBT year (31 March). Any outstanding amounts past 31 March each year will be paid to the employee as wages and taxed at the marginal rate.
- 4.5.11 **Effect of salary packaging on employer superannuation contributions**
- Statutory employer superannuation contributions will be calculated and paid in accordance with award, industrial agreement or letter of offer provisions.
- 4.5.12 **Statement of Earnings**
- The employee's annual gross post-salary packaging income will be shown in the gross earnings section of the Statement of Earnings. As income tax is not paid by employees on fringe benefits received, the value of annual salary packaging must be separately reported for fringe benefits purposes, on the statement of earnings, and is grossed up at the rate of 1.8692 irrespective of whether the benefit is GST inclusive or not.

4.6 **FURTHER ADVICE**

Any further queries regarding salary packaging should be directed to HR.

4.7 **SEE ANNEXURE**

Annexure 48 Salary Packaging Form

Annexure 49 Salary Packaging Sample TR Sheet – non-cash benefits

Annexure 50 Salary Packaging Sample TR Sheet – non-cash benefits plus motor vehicle

Annexure 51 Uniting Financial Services Payment Request Form

Annexure 52 Uniting Financial Services Request for Periodic Payment Form

5. Job Evaluation

5.1 INTRODUCTION

Job Evaluation Systems provide stability, fairness, equity and comparison to market levels of remuneration.

5.2 PROCEDURE

5.2.1 Jobs are evaluated against documented job content, which is by way of a formal position description compiled by the Supervisor/Manager. HR can provide assistance with the job evaluation process.

5.2.2 It is important to ensure that all roles within the Church network have a position description, including Board members and Volunteers.

5.2.3 The position description is an essential part of the organisation's human resource system as it provides the core document of understanding surrounding the minimum satisfactory standards required in the performance of duties.

5.2.4 Employees and employers need to know what is expected in the job, how well it is to be done and how the actual performance matches with these expectations. If employees know what is expected, they can monitor themselves and are able to undertake some self-responsibility in managing their performance.

5.2.5 Positions are evaluated according to the skill set, experience, responsibility and accountability required for the position, irrespective of the current incumbent to the role.

5.2.6 Job Evaluation is a comparison of current position descriptions and remuneration to market position descriptions and remuneration. The current position description documented job content must align at least 80% to the market position documented job content for a valid comparison to be made.

5.2.7 The employee's performance determines their position within the salary range.

5.2.8 Apart from the initial evaluation, jobs are evaluated when an existing position's accountabilities are extended or reduced.

In either instance, HR can assist in the preparation of position descriptions and the evaluation or re-evaluation positions.

5.2.9 All job evaluations should be reviewed as a matter of course at least every two years to ensure that the content of the position description is contemporary and meets operational requirements of the organisation.

6. Performance Management Systems

6.1 INTRODUCTION

Employer's should evaluate and review the performance of all employees on at least an annual basis against clearly stated and agreed job objectives.

6.2 PROCEDURE

6.2.1 Frequency

A performance review should be carried out on an annual basis.

6.2.2 Interim Reviews

An interim review may be carried out any time, but most usually in one or other of the following circumstances:

- Transfer
- Promotion
- Poor performance issues
- New employee before initial period of employment known as a probation period concludes.

6.2.3 Review to be based on Agreed Job Objectives

- The review of performance should be carried out against job objectives, which have been agreed between the employee and his/her manager at the start of the review period.
- Each job objective should have associated descriptors for achievement, which are measurable in quantitative terms.
- Should objectives change at any time during the review period, new objectives should be agreed and recorded for referral by both manager and employee. In such circumstances the old objectives should be retained so that performance can be evaluated against the "amended" objectives.

6.2.4 Written Record of Review

Performance Review Forms should be completed for each employee whose performance is evaluated. The employee's manager should retain the completed forms and provide copies to the employee. Copies should also be attached to the employee's personnel file

6.2.5 Employees Disagreeing with Review

In the event that an employee is unable or unwilling to agree to the written review prepared by his/her managers, then he/she should make appropriate comments in the "Employee Comments" section of the form. The employee should seek a meeting with his/her manager's manager

with a view to resolving the area of disagreement. The guidelines of the Grievance policy may be relevant in such circumstances.

6.3 **'UNITING IN SERVICE' PERFORMANCE MANAGEMENT SYSTEM**

"UNITING IN SERVICE" is one of the performance management systems used within the Church network and is a process used to build high performance through a supportive work environment.

It links the work of each employee with their employer's strategic plan through an Employee Performance Agreement ("EPA") and also ensures that each employee is given the necessary support to help them achieve their goals. This is attained through improved communication, Employee Learning and Development Plans ("ELDP") and work environment improvement strategies. (See *Annexure 53*)

6.4 **SEE ANNEXURE**

Annexure 53 Uniting In-Service Handbook

7. Laptops

7.1 INTRODUCTION

- 7.1.1 Permission to obtain a new lap top computer requires the written approval of the Executive Director.
- 7.1.2 Access to or use of existing lap top computers for extended periods will be at the Executive Director's discretion.

7.2 PROCEDURE

- 7.2.1 All lap top computers are to be stored in a secure environment when not in use. This means:
 - The employee must take the lap top computer home with them each day and ensure that it is secure at all times. If this is not possible then making sure that the lap top computer is in a locked drawer or filing cabinet; and
 - Locking offices if absent for extended periods; and
 - Not leaving lap top computers readily visible in unattended motor vehicles.

8. Mobile Phones

8.1 INTRODUCTION

- 8.1.1 Mobile phones are issued to employees where the use of a mobile phone is necessary to perform day-to-day job responsibilities.
- 8.1.2 Employees must use their mobile phones primarily for work related purposes.
- 8.1.3 Where the mobile telephone account is in the name of the employee, the employee shall pay the invoice and seek reimbursement from the employer;
- 8.1.4 Where the mobile telephone account is in the name of the employer, the employer shall pay the invoice and if applicable, seek reimbursement from the employee for part thereof.

8.2 PROCEDURE

The following procedures apply conditional upon the conditions of an employee's contract of employment

- 8.2.1 Using a mobile phone excessively and/or predominantly for non- business calls may result in the mobile phone being withdrawn. In such instances the employer may also request reimbursement for the cost of all personal calls made.
- 8.2.2 The employer will review monthly mobile phone statements
- 8.2.3 Employees may be required to make reimbursement for personal calls made during the relevant billing period.
- 8.2.4 Further to point 8.2.3 above, employees will only be required to make reimbursement for personal telephone calls if a charge has been levied by the relevant service provider for those telephone calls.
- 8.2.5 The employer will pay for all service charges relating to the operation of mobile phones that have been supplied to the employee by the employer.
- 8.2.6 Non employees may use an employer provided mobile phone only in the event of an emergency or on employer related business.
- 8.2.7 Employees must take care of their mobile phone and take precautions against damage or theft. Ongoing abuse or loss of a mobile phone may result in the phone being withdrawn or compensation sought in the case of wilful damage or loss.
- 8.2.8 Employees must immediately report the loss or theft of their mobile phone to their employer and the relevant service provider. Failure to do so may result in the employee being held liable for any costs associated with calls made after the loss or theft occurred.
- 8.2.9 Given Occupational Health and Safety legislation, the employer will meet the costs of motor vehicle car kits, where the use of mobile phones forms an inherent part of the role performed by the employee and it is foreseeable that the employee will use their mobile phone while driving.