


The Ultimate Guide to Employee Benefits for the Charity Sector

Attract, connect and reward
those who support your cause



Maxxia



The impacts of the pandemic on the not-for-profit sector and their employees have been profound. Approximately 80% of organisations reported an increase in demand from Australians seeking support. At the same time 85% of organisations reported a reduction in revenue, even with Job Keeper.¹

Leaders in not-for-profit organisations have always had a broad portfolio of responsibilities to address. In these changed times, the interconnected challenges of rewarding, supporting and retaining your workforce are top of mind for many HR leaders and teams. At Maxxia, our goal is to help organisations make confident, informed decisions about employee benefits so their employees can focus on what they do best.

In bringing you this guide, we offer you insights and tips for doing more with what you already have and strategies to fully realise the benefits of salary packaging and novated leasing for your organisation and your employees.

With more than 200 Australian charities relying on Maxxia for their employee benefits programs, we're committed to sharing our expertise to support the dedication and resilience of the not-for-profit sector.

1. How the not-for-profit sector met the challenge of 2020, June 2021

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Part 1: Why benefits matter now more than ever

The way we work is changing



The COVID pandemic has impacted organisations and their employees in so many ways. This transformation at speed has certainly been a test, but the new challenges aren't slowing down. Undoubtedly one of the biggest changes has been the accelerated transition to flexible and remote working. In their 2021 Work Trend index which surveys more than 30,000 employees worldwide, Microsoft found almost three-quarters (73%) of employees want flexible and remote work options to stay. And the majority of leaders (66%) are considering redesigning office space for hybrid work.²

For the not-for-profit sector, the pandemic has delivered new challenges but also highlighted existing issues. The latest interval of The Xfactor Collective's RESET 2020 National Impact+Need Research Study has found 40-45% of the sector are now often or always in high levels of stress, exhaustion and overwhelm, with 80% stating that the existing (pre-pandemic) ways of working are partly to blame.³

Stemming the tide of Pandemic Burnout

A 2021 study by Atlassian and PwC has found that mental health and wellbeing has emerged as the top issue for Australian employees. In fact, 69% of employees would turn down a promotion in favour of preserving their mental health. This trend is true across all age groups and income levels.⁴

With both leaders and employees getting used to the 'new normal', leadership teams are taking on a whole range of tasks and programs to manage this evolution. Crucial to the success in this sector is keeping employees engaged, motivated and feeling supported, regardless of where they're working.

2. Microsoft 2021 Work Trend Index: Annual Report, March 2021
3. Burnout at alarming levels in Social Purpose sector, December 2020
4. Return on Action Report 2021, Atlassian and PwC

EVP and employee engagement is in focus

With a strong outward focus on serving the community, employee value propositions (EVP) have traditionally taken a back seat for some organisations in the NFP sector. Times have changed. Organisations across all sectors in Australia are focusing on their EVP in response to a job market that in March and April 2021 saw job advertisements reach a 12-year high.⁵ Recent research by PwC revealed that a staggering 38% of Australians want to find a new job in the next 12 months.⁶

Realising the potential

Employee benefits have the potential to be a critical value-add for your workforce at a time when not-for-profits need to satisfy increased demand for staff and offer workers a compelling proposition. For organisations to find ways to realise greater value from their programs and activities, they need the bandwidth to analyse strengths and weaknesses of what they currently offer and vet and select solutions. With so much workplace change to navigate, the capacity to re-evaluate and reset is in short supply.

This guide is designed to help you understand how your benefits program could better support mission-critical goals such as engagement and retention, as well as giving back to your bottom line with cost savings and resource efficiencies.

EVP is back in the spotlight and employee benefits are key



5. Labour Market Information Portal, Vacancy Report August 2021

6. What workers want: Winning the war for talent Report, 2021

Key trends driving a focus on employee benefits

Employee benefits that may have taken a back seat for some employees may now be a priority for your workforce. Some key workplace trends are driving demand for salary packaging and novated leasing.

A focus on upskilling and education

Priorities for leadership teams and their organisations have seen a fundamental shift at a global level – building critical skills and competencies is taking priority.⁷ In Australia, a stall on immigration means that some roles can no longer be filled by workers migrating to Australia from overseas. ABS data shows that around 27% of businesses reported having difficulty finding suitable staff to fill jobs and a lack of required skills or qualifications was the second most common reason given for shortages.⁸

At a time when the NFP sector is experiencing increased demand, and revenues and volunteering are generally down, organisations are looking for ways to use technology to improve efficiency and automate processes.

According to PwC's Not for Profit CEO Survey, 50% of NFP CEOs say data analysis/analytics is the skill employees need most in the next 12 months to prepare for the impact of technology on their role, up from 17% last year.⁹

One of the key reasons for this is the importance of data to inform decision making and demonstrate impact to funders and an increasing desire to automate and outsource back-office processes. Crucially the survey found that smaller organisations are at a distinct disadvantage - they are significantly less likely to have provided staff with training in the last 12 months due to resource constraints.¹⁰

Motivating and encouraging your workforce to upskill or re-skill can be more attractive when employees are able to pay for self-education and professional development expenses using pre-tax dollars through salary packaging.

7. Gartner Top 3 Priorities for HR Leaders in 2021, October 2020

8. Australia's skills shortage is set to push wages up, as more than a quarter of businesses can't find the right workers, June 2021

9. PwC Australia's 2nd Annual Not-for-profit CEO Survey, 2021

10. PwC Australia's 2nd Annual Not-for-profit CEO Survey, 2021



Working from home and the 'decentralisation' of the workforce

The sharp rise in employees working from home (WFH) since the pandemic began has been a trigger for many to look outside of city hubs for a place to call home. Regional areas have never been more popular with Australians. In fact, there was net movement of 43,000 Australians from capital cities to regional areas during 2020, the largest change since data was first reported in 2001.¹¹

Regional and remote area benefits available to employees will vary depending on their location, role and the sector they work in. But generally speaking, eligible employees can salary package expenses such as relocation costs, rent payments, interest on their mortgage and fly-in, fly-out (FIFO) expenses.

The impact of the pandemic on transport trends

Even with Australians travelling to work less often, the motor industry is experiencing a car buying boom. According to one report, Australia saw a 68% increase in new car sales in May 2021 when compared to the same month last year¹², as more people opt to drive instead of using public transport. The migration of city dwellers to live in regional Australia is another trend that could trigger demand for vehicles. A novated lease enables employees to salary package a car providing benefits for both employees and their employers.

Recognising and rewarding employees contributes to workplace wellbeing

With a portion of employees WFH at least some of the time, organisations are dealing with the challenges of workplace isolation, a lack of visibility for both employers and employees and limited opportunities for face-to-face communication. Higher engagement with benefits such as salary packaging and rewards/discounts could improve employees' financial and lifestyle outcomes, which, in turn, adds to the overall value they realise from their work. And with 70% of employees saying they spend time worrying about their finances at work¹³, these savings can be an important part of a successful strategy to support financial wellbeing.

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Our challenges really revolve around being able to attract the right people. We cannot compete, dollar for dollar, with large corporates and even the government. So we have to be able to offer something that is unique. Our employee benefits program gives people the opportunity to maximise the benefits associated with working for a not-for-profit.

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Adrian Prouse, Former Head of People and Culture, Australian Red Cross

11. Regional areas have enjoyed a pandemic influx, but many jobs are still waiting to be filled, May 2021

12. Vehicle Sales Achieve Highest 2021 Results in May, June 2021

13. Gallagher, Employee Financial Confidence Report, 2020

The power of employee benefits to engage your workforce

The not-for-profit advantage

Not-for-profit or PBI charity organisations have the potential to deliver more financial value through salary packaging because of Fringe Benefit Tax (FBT) exemptions. Private companies and government entities attract FBT on most salary packaged items. A not-for-profit may be entitled to FBT rebates or an FBT exemption depending on the type of organisation. This makes salary packaging even more attractive to not-for-profit and charity sector employees.

An essential part of your HR toolkit

HR leaders and teams are tasked with delivering programs in a whole range of areas including recruitment, retention, performance management, workplace evolution and workforce wellbeing. An effective employee benefits offering has the potential to help HR address four key challenges and support better outcomes:

HR challenges		How employee benefits can help
Engaging a remote workforce	Post-COVID work arrangements present challenges to HR teams in delivering a consistent, positive employee experience and keeping engagement levels high.	A flexible approach to delivering benefits gives employers a way to engage with all employees, including those spending more time working away from the office.
Offering incentives and rewards	Low wages and wage growth is limiting opportunities for employers to recognise and reward employees.	Better engagement with a broad range of benefits such as salary packaging, novated leasing and rewards/discounts can improve employees' financial and lifestyle outcomes.
Attracting talent	With no skilled migration and rising job vacancies, talent shortages are a growing risk for many organisations.	Raising the bar with benefits can help employers differentiate their offer.
Being an adaptive and efficient organisational function	Due to changes in workplace locations and routines accelerated by COVID, HR teams have even more to deliver to their employees and leadership team.	Digital solutions for employee benefits and effective outsourcing can both lighten the load on HR teams.

Personalisation is the new normal for Australian employees

Taking a personalised approach to engaging with employees based on where they are in life, can help organisations to better connect with their workforce and start more meaningful conversations. Sharing regular offers for rewards and novated leasing via an app, portal or social media channels is the ideal way to re-engage employees with the full range of benefits. When these offers are tailored to an employee's life stage, this introduces another personal element to their employee benefits experience.

For organisations that already offer a selection of benefits, some will manage everything in-house. Others outsource some of the tasks involved to a single employee benefits provider or a panel of providers.



Life Period	Employee Requirements
<p>Starting a career</p>	<p>For many employees starting out in their career, balancing their budget will be top of mind. Some employees in certain sectors have the opportunity to salary package HECS/HELP debts potentially giving employees the ability to pay off their debt sooner. By salary packaging HECS/HELP payments, employees can also potentially reduce their taxable income and increase their disposable income.</p> <p>Salary packaging work related expenses including home office items and travel costs to electronic devices and other 'tools of trade' can also help new employees increase their disposable income and balance their budget.</p>
<p>Changing location</p>	<p>Buying a home or moving location is a huge milestone in most people's lives. Employees moving to a remote or regional area may be able to salary package interest on their mortgage, purchase costs of their house or rent payments. For those relocating for work purposes, they too may be able to salary package certain expenses associated with moving.</p> <p>And if an employee needs to move away from home for their job, they may be able to salary package their accommodation and food costs for the first 12 months.</p>
<p>Getting a promotion or pay rise</p>	<p>There's nothing like that new car feeling to give your employees a lift and a boost in pay may give them the budget to upgrade.</p> <p>A novated lease enables an employee to salary package the lease repayments and running costs of a new car. As an added bonus, a car lease through Maxxia gives employees access to some of the best deals and manufacturers across the country. Your employee could also potentially save GST on the purchase price.</p> <p>A new job title may also be a prompt for employees to explore a professional or airport lounge membership. They may be able to salary package work-related fees and subscriptions.</p> <p>Employees who work for a public or private not-for-profit hospital or a charity could also salary package the cost of any club or association membership within their yearly salary packaging cap limit - even if it's not for work purposes.</p>
<p>Starting a family</p>	<p>Offering employees the option to salary package the cost of leasing a car and the ongoing running costs through a novated lease can potentially provide tangible savings for new families.</p> <p>All lease repayments and nearly all purchase and running costs for a vehicle – from servicing and insurance to fuel and car washes – are budgeted and bundled into a single regular payment deducted from an employee's pre-tax salary. As well as improving their disposable income, there's no need to budget for one-off costs like annual registration. Employees can also benefit from the buying power of novated leasing experts like Maxxia to get a better deal on their preferred new or used car, and from their trade-in.</p> <p>Starting a family is also a time when people turn their minds to protecting their family with insurance. Disability/income protection insurance helps replace earnings if an employee can't work due to sickness or injury so they can concentrate on their health. With salary packaging employees can pay disability and income protection insurance premiums with pre-tax dollars.</p>
<p>Upskilling or new career path</p>	<p>Most employees can salary package self-education expenses. This benefit applies to many forms of education – as long as it is related to your job, for example obtaining a license to operate certain machinery. Self-education initiatives may include courses or seminars, journal subscriptions and new reference books.</p>
<p>Thinking about retirement</p>	<p>As employees approach retirement or have paid off their mortgage, they may be looking to boost their retirement nest egg. With salary packaging, employees can use funds from their pre-tax salary to make additional contributions to superannuation. This may not only reduce taxable income now but increase the amount of money they have to fund their retirement.</p> <p>This is also a time when an employee may benefit from financial advice to assist with their retirement plans. If an employee talks to a registered financial adviser about their finances or investment matters, they may be eligible to salary package the fees.</p>

An essential element of workplace wellness

Programs and activities to help employees improve their financial wellbeing have moved into the spotlight following COVID. Since the arrival of a global pandemic in 2020, many research studies have raised the continued impacts on mental health, and the lasting effects of financial anxiety in particular. Elevated levels of money stress among employees can create significant problems, both for their productivity and financial wellbeing.

According to the AMP 2020 Financial Wellness Report, almost half (42%) of Australian employees have experienced negative financial impacts as a result of COVID, with around 1 in 7 (14.5%) reporting moderate or severe financial stress.¹⁴

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Heading into the pandemic many NFPs didn't have Employee Assistance Programs. Now, an EAP is considered table stakes and 57% of NFPs surveyed have implemented mental health and wellbeing plans.

PwC Australia's 2nd Annual Not-for-profit CEO Survey, 2021

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Employee benefits are the ideal add-on to wellbeing initiatives

A key challenge for organisations is to identify exactly how to support financial wellbeing for their workforce. The truth is workplace financial wellbeing is still a relatively new area for many organisations. There isn't a standard blueprint or toolkit for your organisation to adopt. The potential elements can vary quite widely but will often include some type of financial education on budgeting, debt management and saving.

A well-resourced toolkit that encompasses both the psychological, physical and financial aspects of wellness provides HR teams with the best chance of sustainable success. Support and education on super, salary packaging options and Employee Assistance Programs (EAP) can all be seen as components of a financial wellbeing program. It's just that, historically speaking, they haven't been badged or categorised as such.

Services like these are a great investment in the financial capability of employees, but there are other benefits that can deliver more immediate value. A comprehensive salary packaging benefits program can help deliver unrealised financial value for employees at no cost to the employer. Regardless of how much an employee earns, if they pay income tax, they have an opportunity to potentially boost their disposable income through salary packaging.

14. AMP 2020 Financial Wellness research, 2020

Part 2: How a best practice approach delivers value to employers



Pillar #1:
Program
efficiencies



Pillar #2:
Program
promotion



Pillar #3:
Performance
management

Pillar 1: Program efficiencies



Rewarding employees and driving engagement is an important goal for any employee benefits program. But when a program isn't running efficiently, or take-up of benefits is low, this can turn a potential value-add into a drain on resources. The many communications, procurement and reconciliation tasks associated with an employee benefits program can create a large workload for HR and payroll teams, as well as complexity and risk.

A best practice approach can drive greater efficiency and lighten the administration load often experienced by organisations delivering employee benefits such as novated leasing and other salary packaging options.



Streamlining employee benefits integration and administration

When employee benefits programs are built from the ground-up and managed internally they can be highly customised to the needs of the organisation. Advantages of managing benefits in-house include alignment with pay cycles as well as freedom to offer a suite of hand-picked benefits that best suit an organisation's workforce.

However, custom internal systems can become cumbersome to operate as they develop over time. Plus, they run the risk of being superseded by technology and compliance changes. As more and more employees interact digitally with service providers, from food delivery to banks, there is an expectation that employers should be providing digital access for selecting benefits, taking up discounts and offers, and reporting on savings and rewards.

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As we have grown our business in recent years, Maxxia have been available to provide support to our HR teams and new employees as they learn about salary packaging. This support has been adapted in recent years due to the impacts of Covid-19, from on-site visits to running webinars at times convenient for our staff. These options have enabled our staff to ask the questions they have about salary packaging, so they can make an informed decision of what to 'package' in a way that meets their individual needs.

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Cherie Walters, Senior Remuneration and Benefits Advisor, Life Without Barriers

Look for scale and flexibility in a benefits provider

Harnessing technology is one way for outsourcing to deliver a better benefits experience to employees. For employers, there can also be advantages that come with the scale offered by an experienced provider who can more cost-effectively deliver the resources and expertise to manage a benefits program on your behalf.

To get the best of both worlds, look for a provider with the expertise and technology to deliver solutions that set the standard for efficiency, responsiveness and flexibility. A solution that can be tailored to the systems and processes of your organisation while still offering the benefits of scale, technology and specialised knowledge, can enable you to offer a best-in-class benefits experience to employees, all while lightening the administrative burden on internal teams.

Whether we're brought in to replace an in-house solution or as an alternative to an existing service provider, our Maxxia transition team work with internal stakeholders to simplify and streamline the 'housekeeping' that comes with a benefits program. We can work with HR and payroll teams and beyond to identify and resolve pain points in your benefits workflow, reducing the administration load of running the program day-to-day.



Giving back to the bottom line – FBT and end of lease liabilities

With salary packaging arrangements, particularly novated leases, there are unforeseen costs that can end up falling on the employer. If an employee with a novated lease decides to leave, organisations run the risk of being liable for end of lease costs. There are also Fringe Benefits Tax (FBT) liabilities that remain 'hidden' until the end of a reporting period or financial year.

Based on our own experience across multiple organisations, these costs can be overlooked because they aren't attributed to a cost centre.

These liabilities don't 'belong' to HR or payroll, so they are often unaccounted for. Yet these sums of money can run into tens of thousands of dollars which is no small cost.

By working with experts in novated leasing and salary packaging who take a partnership approach to employee benefits, Maxxia clients can be confident that unexpected FBT and end of lease liabilities are monitored and managed. This leaves no invisible or surprise costs for the organisation to account for.



Program efficiencies checklist

Best-practice features and inclusions	Benefits to your organisation
<p>Aligned with existing pay cycles</p>	<p>Look for a tailored approach that can align with your organisation’s existing pay cycle. This simplifies record keeping and reconciliation for payroll and financial reporting.</p>
<p>Reduced internal handling of employee queries</p>	<p>An external customer service team from your employee benefits provider can respond to employee queries about benefits, freeing up HR staff to focus on other priorities.</p>
<p>A dedicated payroll and finance support team</p>	<p>Expert external support from your employee benefits provider for these internal teams saves them time in implementing and troubleshooting benefits and rewards programs.</p>
<p>Expert compliance support across all tax liabilities</p>	<p>Salary packaging can come with compliance risks associated with the evolving income tax regulatory framework. Look for an employee benefits provider with in-house tax specialists to monitor and advise on compliance with relevant legislation.</p> <p>Support from these specialists can also reduce time spent on managing FBT year-end reporting requirements, GST and Input Tax Credits (ITC).</p>
<p>Automated reporting</p>	<p>Expect access to reports on program performance generated on demand to assess ongoing effectiveness of program, including promotional activities, introduction of new benefits and more.</p>
<p>FBT liability</p>	<p>A best practice solution provides indemnity from any unplanned FBT liabilities arising from management of an organisation’s benefits program.</p>

Pillar 2: Program promotion



To fully realise the potential of benefits available to employees, participation is key. Not only does higher participation in salary packaging deliver value to a greater number of employees through discounts and potential savings on their tax liability, but it can also create payroll tax savings for the organisation itself in some sectors.

What benefits can charity sector employees salary package?



Living Expenses

Enable your employees to use their pre-tax dollars for everyday living expenses.



Meal Entertainment

Package meals out and catering costs for functions.



Novated Leasing

Maximise tax savings by packaging vehicle finance and running costs.



Education Expenses

Pay for self-education and professional development expenses pre-tax.



Work Related Expenses

Save money on parking and some memberships.



Remote Area Benefits

Help remote employees package their mortgage and rent.

With so many organisations now adapting to having a workforce spread across home and office locations, best practice program promotion is even more critical for lifting participation rates. Making sure benefits are effectively communicated as part of onboarding for new hires, as well as regular updates to existing employees, can be more challenging

when employers have largely dispersed workforces and when employees are spending limited time in the office or WFH exclusively.

A well-designed benefits onboarding process and engagement program that includes digital assets can also support better resource efficiency for HR teams.

Digital delivery to drive participation and reduce administration



An employee benefits offer with automation and self-service built-in is more user-friendly for employees and requires an organisation to be less hands-on in promoting benefits and answering queries. Creating proprietary digital assets such as explainer videos, and an app or portal to connect employees with benefits and rewards takes a significant investment of resources from an organisation. Providing regular updates to employees across social channels and live online services for a rapid response to queries are also big commitments to expect from internal teams.

Outsourcing to a best practice provider can provide your organisation with technology solutions and comprehensive campaigns for benefits and rewards promotion.

For example, onboarding is generally the best time to connect with employees about salary packaging arrangements on offer. This can be simplified for each new hire with a technology solution that automatically populates their details in online forms, ready for acceptance and immediate start, as well as relevant offers that are suited to an employee's life stage.

As a specialist delivering a wide range of salary packaged benefits, rewards and discounts to employees, Maxxia offers access to a fully functioning mobile app and online portal. This gives every employee access to all the tools they need to manage their own experience, regardless of where they're located.

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Younger workers prefer online materials that explain different options and tools that illustrate the items that people like them typically choose. Over half of Gen Z employees prefer to have their benefit questions answered via online chat. ”

2020 Global Benefits Attitudes Survey, Willis Towers Watson, February 2021



Program promotion checklist

Best-practice features and inclusions	Benefits to your organisation
Auto-setup integrated into employee onboarding	Maximise participation and employee engagement with easy take-up of salary packaging, rewards and other benefits during induction.
Live and on-demand webinars on salary packaging and benefits topics	Self-service access to relevant information so employees can better understand value they'll get from benefits – in particular salary packaging which is often not well understood.
Communications and content tailored for different employee segments	Personalised content across benefits promotion campaigns and offers, including call centre support to guide employees in optimising their benefits and salary packaging choices.

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The easier we make it for employees to engage in the program, the more people will participate.

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Natalie Paul, General Manager Sales & Distribution – Northern Region, Maxxia

Pillar 3: Performance management



Benefits programs are nothing new to the employee experience and HR portfolio of responsibilities. However, as organisations re-evaluate what employees need most in the context of changing working practices, the effectiveness of a current benefits offer could come under scrutiny. For leadership teams to feel confident in backing their existing benefits suite, or highlighting where improvements could be made, they need to draw on consolidated performance data for their current program and comparative data from their industry.

Evaluating how effective a benefits program is in meeting employees' needs and measuring the dollar value it delivers should be a priority, regardless of whether benefits are up for discussion. Knowing whether your program is competitive with other organisations in your industry is critical if your benefits program is to be positioned as a key differentiator for talent attraction and retention.

Measuring the total value and effectiveness of your benefits program

When capturing and reporting on data from their benefits program, research shows that a large majority of organisations are still relying on spreadsheets to collect and analyse this data¹⁵. Not only does this take time and effort, it also increases the chance of human error from manual data-handling.

Consolidating a benefits program and outsourcing to a single provider can create the opportunity to draw on their tools and practices for improved performance measurement and program reporting.

By taking an industry benchmarking approach, Maxxia can go one step further in their commitment to evaluating the success of a benefits program. We partner with organisations to develop a set of strategic and operational KPIs that support better financial and risk outcomes for HR, payroll and finance as well as targeting improved customer service and satisfaction levels for employees.

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Almost three quarters (73%) of employers spend over 16% of their wage bill on employee benefits each year. Despite employers' high spend on employee benefits, it remains an area that receives very little analysis. Just three-fifths (60%) of employers use data to look at benefit costs – and just half (50%) report on benefit take-up levels.

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The Age of Agility: Flexible, adaptable and resilient benefits, Darwin, 2020/21

15. The Age of Agility: Flexible, adaptable and resilient benefits, Darwin, 2020/21

Performance management checklist



Best-practice features and inclusions	Benefits to your organisation
Dedicated program support	Rely on an employee benefits expert who will get to know your organisation and how your program can better support strategic and financial goals.
Annual program planning to meet organisational objectives	Consultation with external experts in benefits, asset financing, fleet management and salary packaging can provide critical inputs to strategic business planning.
Performance tracking against industry/transactional KPIs e.g., program participation	Frame clear and specific goals for program savings/ value and measure progress against these.
Surveys and analysis of take-up	Monitor quantitative and qualitative data and benefit from recommendations to further improve strategic and financial outcomes.
Performance guarantees	By taking a partnership approach to employee benefits, a provider may offer guarantees on agreed, industry-appropriate, participation targets for salary packaged benefits.

Part 3: How a best practice approach delivers value to employees



**Pillar #4:
Benefits suite**



**Pillar #5:
Customer service
experience**



Pillar 4: Benefits suite

Current restrictions on travel and migration, and the increase in work from anywhere roles across the globe is putting pressure on Australia's talent pool. With local job vacancies running high and wage growth relatively flat, leaderships teams are finding themselves operating in an increasingly competitive recruitment environment, making flexible, high-value employee benefits an even more important element for attraction and retention.

While tax regulations dictate the range of salary packaged benefits different types of organisations can offer, there is an opportunity to offer further potential savings to employees with rewards and discounts. Ensuring both employer and employee is aware of the full suite of salary packaged benefits available for their industry is a key part of this.

How much can your employees save with salary packaging?

The potential difference in take-home pay per FBT year when an employee salary packages living and meal entertainment expenses*.

As you can see, the tax exemptions can be significant for potential employees weighing up a not-for-profit job offer against a private company. The base salary doesn't always give the full picture.

Annual Salary (ex. super)	Net Annual Benefit	Net Fortnightly Benefit
\$30,000	\$2,642	\$102
\$40,000	\$3,738	\$144
\$50,000	\$4,413	\$170
\$60,000	\$5,763	\$222
\$70,000	\$6,269	\$241

*Assumptions: potential benefit of salary packaging living expenses based on an eligible employee salary packaging the full cap limit of \$15,900 and \$2,650. FBT rates effective 1 April 2018 and PAYG tax rates effective 1 July 2020 have been used. An average salary packaging administration fee has been used. The actual administration fee that applies to you may vary depending on your employer. Tax, benefit & Medicare Levy calculations are approximate, and assume no other taxable income is received. HELP repayments and taxation surcharges are excluded. Important information: This general information doesn't take your personal circumstances into account. Please consider whether this information is right for you before making a decision and seek professional independent tax or financial advice. Conditions and fees apply, along with credit assessment criteria for lease and loan products. The availability of benefits is subject to your employer's approval. Maxxia may receive commissions in connection with its services. Maxxia Pty Ltd | ABN 39 082 449 036.

Maximising salary packaging and discount/reward options

Expanding your organisation's benefits suite to keep your offer to employees competitive can be achieved by outsourcing to multiple providers. This approach is common, particularly among larger employers. However, managing a panel of providers has a few drawbacks, including potential for operational inefficiencies, unnecessary costs, limited transparency and piecemeal reporting on program performance.

A single provider, on the other hand can be held accountable to agreed standards of delivery and report on performance across all benefits. They can also offer the flexibility to expand your benefits suite as employees' and organisational needs change.

As a specialist with decades of experience delivering employee benefits across all sectors and industries, Maxxia offer in-depth knowledge and the support organisations need to optimise their range of benefits for their industry and workforce demographics.

Benefits built for distributed and remote workforces

For employers with a distributed workforce – located in remote or regional areas or across multiples sites – there are ATO-approved remote area benefits available such as relocation costs, rent and mortgage payments, and fly-in and fly-out (FIFO) expenses.

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81% of employees say that benefits play an important role in building and sustaining workplace culture, which we know is critical in driving a sense of balance.

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MetLife Annual Australian Employee Benefit Trends Study 2019



Benefits suite checklist

Best-practice features and inclusions	Benefits to your organisation
<p>Rewards program includes options relevant to different employee segments</p>	<p>Fast becoming standard across all sectors, rewards and discounts for a wide range of retailers and services are an important part of a competitive remuneration and benefits package.</p>
<p>Instant discounts via an employee benefit card</p>	<p>Discounts are provided instantly at point-of-sale for easy take-up of benefits.</p>
<p>Full suite of ATO approved salary packaging benefits for your sector/organisation</p>	<p>Offer a suite of cost-effective benefits matched to your sector, organisation and employees.</p> <p>Benefits such as remote or 'regional' area housing, meal and entertainment, living expenses, superannuation, professional memberships, in-house childcare and many more could form part of your organisations benefits offering.</p>
<p>FBT free benefits – airport lounge, investment loans, self-education, portable devices</p>	<p>Offer a suite of cost-effective benefits matched to your sector, organisation and employees.</p>
<p>Non-tax benefits - consumer finance, vehicle procurement, gym membership, EAP</p>	<p>Deliver a comprehensive suite of benefits across health, wellbeing and lifestyle.</p> <p>Working with a larger provider comes with buying power that can deliver discounts on costs associated with car ownership, including purchase price, maintenance, insurance and more.</p>

Pillar 5: Customer service experience



Delivering an exceptional customer service experience to your employees as part of a benefits offer is important for maintaining a positive employer brand. By enhancing the benefits and rewards experience for employees, you'll also be encouraging advocacy among peers. When individual employees have a positive interaction with a benefits program and provider, they're more likely to refer colleagues, driving further participation and delivering greater value to employees and your organisation.

High levels of customer service in employee benefits are built on excellence in education as well as digital tools and access to benefits. Call centres, webinars and one-on-one information sessions all have an important role to play in helping employees understand the benefits available to them so they can maximise their savings.

A better way to experience employee benefits

A comprehensive, multi-channel approach to delivering benefits and rewards supports a seamless, responsive user experience for employees. With access to a mobile app and online portal, every employee has the tools they need at their fingertips to manage their benefits and rewards.

With access to these digital channels, employees can receive push notifications for new rewards, offers and benefits available. More opportunities to save and collect rewards means more ways to positively engage with your employer brand 24/7.

Each time employees interact with these tools they can easily see how much they've saved, giving them regular reminders of the extra value they're receiving.

At Maxxia, we've found that organisations also value the customer service support provided by our specialist teams. As well as engaging with employees to explain different types of benefits, including salary packaging, we're also available to respond quickly to queries from internal teams as they promote, manage and administer employee benefits.

Customer service experience checklist



Best-practice features and inclusions	Benefits to your organisation
<p>Multi-channel employee engagement including:</p> <ul style="list-style-type: none">• Online self-service options• Online chat, call-back and booking for a remote, guided experience	<p>Convenient access to a fully integrated benefits and rewards program delivers greater financial value to employees.</p> <p>Multiple touch points, including apps and web services, provides the digital-first experience employees expect. Traditional teams like customer care can address the most complex of enquiries.</p>
<p>Detailed employee package information delivered via a mobile app and online portal</p>	<p>Employees can monitor savings, discounts and rewards, and receive push notifications for opportunities to make extra savings or use rewards.</p> <p>These tools also enable employees to engage more often with your employer brand.</p>
<p>Single point of contact for services – for HR, payroll and finance as well as employees</p>	<p>All stakeholders enjoy access to a high-quality and dedicated customer relations team for consistent service experience and swift escalation and resolution of queries and issues.</p>

About us

Maxxia

At Maxxia we're on a mission to enhance the impact of employee benefits for Australian organisations.

Using proven methods to find the performance gaps in your program, Maxxia helps your organisation deliver more value to your people, through competitive and measurable employee benefits programs. Our goal is to ensure that you are measuring up to the best-in-class programs available.

When you partner with Maxxia, our team of specialists are with you every step of the way, to help maximise engagement with your employees, and provide guidance on complex issues. Our fully resourced programs may also save your organisation time and money, and free your team up to focus on what they do best.

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McMillan Shakespeare Group

Maxxia is part of the McMillan Shakespeare Group, a top 200 ASX-listed company and one of Australia's leading single source solution provider of salary packaging, novated leasing, consumer and fleet financing and management services.