

# University of Tasmania Airline Club Membership – Salary Sacrifice Arrangements

## Outline

- The University has a corporate membership arrangement with Qantas Club and Virgin Blue Lounge and these corporate rates can be made available to employees.
- Employees can elect to salary sacrifice personal Qantas Club and Virgin Club Lounge memberships under the above arrangements. Virgin Blue Lounge Membership has been made available from 01/04/2007.
- The current Qantas Club corporate rates are as specified in the provided covering letter and not the rates specified on the Qantas Club Membership Application.
- The current Virgin Blue Lounge corporate rates are as specified in the Virgin Blue Lounge Membership information sheet at [http://www.utas.edu.au/docs/fin\\_services/travel/](http://www.utas.edu.au/docs/fin_services/travel/)
- Employees will personally pay all costs associated with new applications and renewals.

## Process

### Qantas Club Applications and Renewals

1. The completed covering letter (outlining the University corporate rate) and the Qantas Club Membership form should be forwarded to Qantas Club (address in covering letter) for all new applications.
2. Renewals will be sent directly to you from Qantas Club. On renewal please ensure that your membership is under the University's corporate arrangement (Scheme 110002).

### Virgin Blue Lounge Applications and Renewals

1. Employees should have a Virgin Blue Velocity number, if not already a member, employees can register online at: <http://www.velocityrewards.com.au/content/signup.htm>
2. After becoming a velocity member, go to: [https://www.virginblue.com.au/thelounge/corporate\\_signup/](https://www.virginblue.com.au/thelounge/corporate_signup/)
3. Apply for membership, and to ensure corporate discounted rates, the words 'UTAS' must be placed in the company name field.
4. Renewals will be sent directly to you from Virgin Blue. On renewal please ensure that your membership is under the University's corporate arrangement (UTAS).

### Salary Sacrifice and Claiming Reimbursement

1. A valid Tax Invoice must be obtained so that the University can claim back the GST credits and pass these savings onto the employee. If the employee does not provide a Tax Invoice they will forego this benefit.
2. To sacrifice the membership fees, the employee must complete the Airline Club Reimbursement Claim form, attaching a copy of the Tax Invoice for new application or renewal (and proof of payment), and forwarding it for processing to the Pay Office Box 1353 Launceston.
3. The Pay Office will process both the reimbursement and salary sacrifice amounts in the next available pay.

## Example

Employee wishes to become a Qantas Club member under the University Corporate arrangements and then salary sacrifice the membership fees.

Costs paid personally by the employee: Joining Fee      \$200.00 (GST Inclusive) Membership Fee <u>\$285.00</u> (GST Inclusive) <b>\$485.00</b> (GST Inclusive)	GST saving from Reimbursement/Salary Sacrifice election: Reimbursement              \$485.00 Salary Sacrifice <u>-\$440.91</u> GST Saving to employee <b>\$44.09 *</b>
Net cost of membership to the employee Initial Cost                      \$485.00 Less GST Saving <u>-\$44.09 *</u> Less Taxation Benefit <u>-\$191.00 **</u> (est. \$71,385pa) <b>\$249.91</b>	Taxation benefit of salary sacrifice (will depend on salary level but as an example) Employee salary \$71,385pa Salary Sacrifice <u>-\$440.91</u> Tax Saving <b>\$191.00 **</b>

**\*\*Please note that your individual circumstances may be different to this example and you may receive more or less of a benefit.**

For a detailed payroll example (based on your details), please visit the online calculator on Financial Services website at:

[http://www.utas.edu.au/docs/fin\\_services/payroll/pay\\_options.html](http://www.utas.edu.au/docs/fin_services/payroll/pay_options.html)