

## Salary Sacrifice

NOTE: Please check the Current GST and Tax Ruling with your accountant before you enter any Salary Sacrifice transactions into Jim2.

### Non-Superannuation Salary Sacrifice

Employees do not currently have to pay GST for Salary Sacrifice purchases but they require an invoice. You need to take the goods out of stock to correct your inventory. Check with your accountant for the BAS reporting requirements, but use one of the following Tax Codes:

X = Exclude from BAS as no GST implication

N = Sale without GST to report on BAS

- Add a job and invoice the employee for their purchase using the appropriate tax code.

Once you have invoiced the employee for eg \$1000.00 you need to do the following:

- Add a 1-XXXX Salary Sacrifice account under Current Assets in the GL.
- Add a 6-XXXX Salary Sacrifice Wages account under Expenses in the GL or discuss with your accountant which is the appropriate expense account to use.
- Open the employee's debtor account and add a Debtor Adjustment Down for the \$1000.00 to their 1-XXXX Salary Sacrifice Account ensuring that you use Tax Code X.
- Assuming you are deducting a repayment eg \$50.00 each pay run, then amend the Payroll GJ to include two extra lines:
  1. DR 6-XXXX Salary Sacrifice Wages (or other expense account) 50.00 tax code X
  2. CR 1-XXXX Salary Sacrifice Account 50.00 tax code X

The balance in the 1-XXXX Salary Sacrifice account will eventually end up as zero.

The balance in the 6-XXXX Salary Sacrifice Wages account will end up as the value of the sale.

Your accountant may need to add a GJ at the end of the year to move this value elsewhere, since salary sacrificed payments are not reported as wages in your BAS or in the Payment Summaries and end of year reconciliation supplied to the ATO.

### Superannuation Salary Sacrifice

Add a new liability account 2-XXXX Salary Sacrifice Superannuation with a default tax code of X.

- Amend the Payroll GJ to include two extra lines:
  3. DR 6-XXXX Superannuation Expense \$XX tax code X
  4. CR 2-XXXX Salary Sacrifice Superannuation \$XX tax code X

When you pay the superannuation fund, you should include the salary sacrifice amount and enter as a separate line on the cheque entry in Jim2.

For further assistance or information please call happen support on 02 9570 4696 or email [support@happen.biz](mailto:support@happen.biz)