

1 Terms And Conditions

1.1 Definitions

Agreement means this agreement to provide salary packaging services to the Member as agreed between Paradigm, the Member and the Employer.

Employer means an organisation that engages Paradigm to administer salary packaging for their employees.

FBT means fringe benefits tax under the *Fringe Benefits Tax Assessment Act 1986* (Cth).

Inactive Account means a salary packaging arrangement where salary deductions have been stopped and no payments have been made for over 3 months.

Paradigm or **Paradigm Total Salary Management** means Paradigm TSM Pty Ltd (ABN 97 007 388 696) of Level 3 37 St Georges Terrace Perth WA 6000.

Member means an employee of the employer who participates in salary packaging.

Paradigm Packaging Fee means the fee charged to the Employer for the provision of services to the Employee as set out in the Administrative Services Agreement between Paradigm and the Employer.

Password means a combination of letters and numbers used to access the Member's salary packaging arrangements via the Paradigm website or in conversation with a Paradigm representative. The Member may provide this Password to authorised third parties to enable those authorised parties to enquire and make changes to the Member's salary packaging arrangements via the Paradigm website or through Paradigm directly.

1.2 All taxes, charges, fees, or other costs associated with salary packaging are charged to the Employer, but the Employer may pass these charges to the Member. If this occurs, all costs of salary packaging shall be fully borne by the Member. Where the Member creates a FBT or payment liability or exceeds FBT budgeted liabilities as a result of salary packaging, this liability may be recovered by:

- a pre-agreed repayment arrangement as instructed by the Employer;
- a deduction from any annual or long service leave paid to the Member on termination; or
- if monies cannot be recovered through the mechanisms detailed within this clause, then any other legal means relating to the recovery of outstanding monies available to Paradigm.

1.3 The Member may vary the components of their salary packaging arrangements. Paradigm reserves the right to charge the Member a fee to vary the components of their Salary Package in accordance with Paradigm's agreement with the Employer. It is acknowledged and accepted by the Member that the Employer and Paradigm are not liable for taxation or any other liabilities, judgements, penalties or outcomes suffered or incurred by the Member as a result of entering into this Agreement. The Member indemnifies the Employer and Paradigm in respect of any such taxation, liability, judgement, penalty or outcome that the Employer or Paradigm may suffer as a result of the Member entering into this Agreement.

1.4 Salary packaging is only available prospectively. Any salary earned prior to the commencement of the Agreement cannot be packaged.

1.5 On completion of each FBT year, any outstanding balance in the Member's salary packaging benefit accounts will be rolled over into the new FBT year so that the Member's salary packaging arrangements continue, unless otherwise instructed by the Member or the Employer.

1.6 Paradigm will inform the Employer of any positive FBT balances attributable to the Member's Motor Vehicle benefits that exist at the end of each FBT year during the Member's salary packaging with Paradigm.

1.7 The Member may elect at any time to cease salary packaging by giving Paradigm no less than four (4)

weeks written notice by completing a Paradigm Termination Form.

- 1.8 On termination of salary packaging for any reason, liability for all packaged benefits reverts from the Employer to the Member.
- 1.9 Where a Member terminates employment with the Employer, Paradigm will work with the Employer to collect any liabilities arising from packaging, including any outstanding balance of the Paradigm Packaging Fee, from the Member's final salary payment. The Employer will work with Paradigm to finalise the Member's packaging in a timely manner. In some instances, it may not be possible to complete a full reconciliation of a Member's salary packaging arrangement prior to their final salary payment. Paradigm and the Employer may estimate the amount of any outstanding liabilities of the Member and the Employer reserves the right to retain sufficient funds from a final salary payout to meet this estimate following which any remaining balance will be forwarded to the Member.
- 1.10 At all times, the Member remains liable for any expenses that the Member incurs and remains responsible for these liabilities after termination of the Agreement with Paradigm, including on termination of employment with the Employer. Specifically, where a Member uses a fuel card with their novated lease, they are liable for all expenditure incurred on their fuel card, up to and including the date of cancellation of the card.
- 1.11 If Paradigm, or the Employer, incurs any costs of collecting any outstanding liabilities from the Member, the Member will be responsible for reimbursing Paradigm or the Employer for these costs of collection.
- 1.12 Where the Member is not ceasing employment with the Employer, the Employer can terminate salary packaging for a Member by giving no less than four (4) weeks notice in writing to Paradigm and the Member.
- 1.13 In the event of legislative or other changes affecting the provision of, or the cost of providing Fringe Benefits, the Employer reserves the right to withdraw, amend or reduce salary packaging to minimise or eliminate FBT liability.
- 1.14 Paradigm may terminate any Inactive Account. If Paradigm terminates an Inactive Account, Paradigm will finalise any balances and collect the remainder of the Paradigm Packaging Fee. Any remaining funds will be returned to the Member via the Employer.

2 Member's Obligations

The Member:

- 2.1 Will advise Paradigm in writing of any changes in circumstances including, but not limited to:
 - personal details, including, but not limited to, payment details;
 - salary;
 - transfer to another department, division or related company of the Employer; or
 - termination of employment with the Employer.
- 2.2 Will advise Paradigm in writing or email of any changes required to their salary packaging arrangements.
- 2.3 Will promptly forward any invoice pertaining to their salary packaging arrangement with a completed and signed Payment Reimbursement Claim form to Paradigm to enable timely payments.
- 2.4 Will promptly provide to Paradigm all salary packaging documentation required for the effective delivery of the Paradigm salary packaging services, including, but not limited to, copies of invoices and receipts for payments or reimbursements, amendments, odometer readings as well as declarations.
- 2.5 Will, in all instances, seek their own advice with respect to the financial and tax benefits of salary packaging.
- 2.6 Acknowledges that information, including financial models, Paradigm provides to the Member are to enable the Member and their financial adviser to assess the relevant benefit of entering into a salary

packaging arrangement or amending that arrangement. Paradigm accepts no responsibility for incorrect information that may have been given by third parties.

- 2.7 Will in the event that a FBT or payment liability has been incurred, negotiate with Paradigm to recover that liability in accordance with Paradigm's contract to provide salary packaging services to the Employer and this Agreement.
- 2.8 Will keep their Password secure to prevent unauthorised changes to their salary packaging arrangements

3 Acknowledgements, Agreements and Declarations of Member

- 3.1 The Paradigm Packaging Fee is an annual fee that is charged on a yearly basis, not on a FBT year basis. The total amount of the annual Paradigm Packaging Fee for each full year of packaging, or part thereof is payable by you where that Paradigm Packaging Fee is passed on to you by the Employer.
- 3.2 The Paradigm Packaging Fee will be collected in accordance with the Paradigm Terms and Conditions on a pro rata basis each pay period. Any outstanding amount at the termination of your salary packaging arrangement will be collected from your final salary packaging pay period or from a future pay period, where available, or from you directly.
- 3.3 Paradigm is not responsible for any loss or damage incurred by you as a result of your decision to enter into this Agreement.
- 3.4 Paradigm is not responsible for any loss or damage incurred as a result of decisions made in reliance upon financial or other salary packaging information provided by Paradigm staff, agents, and/or contractors, nor that provided by any other person.
- 3.5 You must understand and will adhere to your Employer's policy regarding financial advice when establishing salary packaging with Paradigm.
- 3.6 Your salary packaging arrangements must be managed exclusively by Paradigm and you may not salary package benefits with another provider in the current FBT year.
- 3.7 Where you enter into a novated lease agreement, you must complete the required process for the submission of closing odometer readings by the date stipulated by your Employer.
- 3.8 You must read, understand and comply with the Member's Obligations as defined in the Terms and Conditions.

4 Authorisations

Paradigm will be authorised to:

- 4.1 Give to and obtain from third party suppliers, information about your salary package arrangements only in so far as the information is related to each particular supplier and is required to enable processing of your salary packaging arrangements.
- 4.2 Request the Employer to deduct money from your Gross Salary per pay period as a Paradigm Packaging Fee.
- 4.3 Request the Employer to make deductions from your salary per pay period in accordance with the Terms and Conditions, as amended.
- 4.4 Apply your pre-tax and after-tax deductions in accordance with your salary packaging arrangements.
- 4.5 Discuss your salary packaging arrangements with nominated authorised third party contacts where that authorised third party contact passes a 4-point security check. You authorise Paradigm to accept decisions regarding your salary packaging from the authorised third party contact.
- 4.6 Deduct FBT taxation or payment liability in accordance with the Terms and Conditions.

- 4.7 Obtain information regarding your gross salary from your payroll department where necessary to determine packaging limits.