

Living Expenses Card - Frequently Asked Questions (FAQ's)

1. Am I eligible to package Living Expenses?

Many employers are eligible to offer their employees Living Expenses savings through salary packaging. The Australian Tax Office (ATO) provides for employees of a public hospital to package \$9,095 per FBT year (1 April to 31 March) toward living expenses. Similarly, the ATO provides for employees of not-for-profit organisation to package \$16,050 per FBT year. If your employer is not one of these organisation types, you will not have access to Living Expenses benefit. These packaged limits are referred to as *caps* or *thresholds*.

If you are not sure if you qualify for this benefit please call Paradigm for clarification.

2. What is a living expense?

Most everyday expenses you or your family incur are living expenses. Electricity, groceries, electrical goods, haircuts, shoes and holidays are all examples of valid living expenses you may incur.

Excluded from Living Expenses are all illegal activities, gambling and adult entertainment and any items you have or will receive a tax deduction for outside your living expenses benefit.

3. How does the Living Expenses Card work?

From the first pay period after your Application is processed, Paradigm will ask your pay office for a pre tax deduction from your salary each pay period and will transfer that amount to your Living Expenses card. The amount requested from payroll will be your annual budget divided by the number of pay periods in the year.

Once funds are on your card, you can pay your bills and make purchases up to the amount on your card at the time of purchase. Here is an example:

Annual Budget	\$9,095
Payroll Frequency	Fortnightly, 26 pays per year
Deduction per pay period	$\$9,095 / 26 = \349.80

Date	Description	Deducted from LE card	Added to LE card	Available on LE card
1 April 2011	Pre tax deduction from Payroll		\$349.80	\$349.80
3 April 2011	Pay Phone bill	\$180.00		\$169.80
9 April 2011	Buy school shoes for son	\$80.00		\$89.80
15 April 2011	Pre tax deduction from Payroll		\$349.80	\$439.60
20 April 2011	Pay Rates instalment	\$420.00		\$19.60

Because the Living Expenses card is so widely accepted all your capped expenditure (up to \$9,095 or \$16,050) will be managed through your living expenses benefit. You will not be eligible to package other capped benefit items.

4. I'm already packaging Living Expenses – what do I need to do?

If you are already packaging Living Expenses a pre-populated application form is available through your member log-in at <https://www.paradigmtsm.com.au/paradigm/login.aspx>. You need complete any missing information, print the form, check the details, read the terms and conditions then sign and return the form to Paradigm. If you don't have access to your account, you can download a new form by [clicking this link](#).

Any other capped benefits will be ended at the time your Living Expense benefit is started so all expenditure with the cap is through the Living Expenses card.

5. I'm new to Living Expenses what do I need to do

If you aren't packaging living expenses at the moment your first step is to set a budget for your living expenses spend each year. The current maximum budget for Living expenses is \$9,095 if you work in a public hospital or \$16,050 if your employer is a not-for-profit organisation.

After you have set your budget, complete the Living Expenses application and email, fax, post or hand deliver the signed forms to Paradigm.

On receipt of the application forms Paradigm will verify and process your application.

6. When can I expect to receive my Living Expenses Card?

On receipt of your Living Expenses card application Paradigm will verify and process the application, then request the issue of the card directly to your home address. Please allow 10 days from the receipt of your application to its receipt at your home address. Living Expenses cards will be issued from 1 April 2011.

7. Where can I use the Living Expenses card?

The Living Expenses card is operated on the VISA network and can be used for purchases and payments at all eligible vendors which accept VISA. This includes overseas merchants. Any charges and fees attributable to a transaction will also be charged to the card.

You are responsible for ensuring the use of your card, and the supplementary card, if one is issued on your account, are used appropriately.

8. How do I check my Living Expenses card balance?

If you provided a mobile phone number on your Living Expenses card application form, you will receive a SMS to your mobile phone to advise when funds are deposited to your card and your current balance at that time. Please note that you can only use your card for purchases up to the available balance at the time the transaction is processed.

We encourage you to check your balance before making a purchase to avoid disappointment.

You can also check your card's balance via:

- ANZ online Portal www.anz.com.au/salarypackaging
- ANZ phone banking
- ANZ Automatic Teller Machines (ATM) across Australia.

Details for accessing ANZ online portal and ATMs will be made available when the card is issued. Balances cannot be checked in a branch.

9. Could my Living Expenses Card be declined when paying for my Living Expenses?

Yes. Your card may be declined due to insufficient funds or if your purchase is made at an outlet that has been restricted by the card. We encourage you check your cards available funds prior to making purchases to avoid disappointment. Please see Question 8 for details on checking your card balance.

10. What happens if my Living Expenses Card is declined when paying for my Living Expenses?

If your card is declined, you will need to make payment via other means. You will be unable to claim reimbursement for that purchase.

11. Do I need to keep my receipts for purchases on the Living Expenses Card?

Paradigm does not require you to keep receipts for purchases on your living expenses card. However, you may want to keep them for your own records.

12. Is there an annual fee for the Living Expenses card?

Yes. The annual fee is \$26 (plus GST). Paradigm will request a \$1.00 (pre-tax) deduction from your pay each fortnight. This deduction will be in addition to your Living Expenses deductions and will not impact on your annual budget or your annual limit (currently \$9,095 or \$16,050)

13. Can I get an additional card for my partner?

Yes, one supplementary card is available for a family member. The transactions on that supplementary card will be included in your annual total purchases. There is no additional fee for the supplementary card.

14. What happens with my current Living Expenses tax invoices and unpaid claims?

Your current Living Expense claims will be reimbursed up to 31 March 2011. From 1 April a new maximum annual amount of \$9,095 or \$16,050 applies to your Living Expenses purchases. Your pending reimbursements will be cancelled when your card application is processed. All future Living Expense purchases will need to be used on the card; reimbursements will not be available.

15. If I am already packaging Living Expenses can I use the card?

Yes, the Living Expenses card is a great way to package living expenses. You can make all eligible payments up to the value on your Living Expenses card without the need to collect receipts and submit reimbursement claims. Paradigm will manage the amount available on your card each FBT year so you do not exceed the maximum allowable for your employer type.

Paradigm has completed most of the details on the Living Expenses application form for you. You just need to complete the remaining details, read the terms and conditions and sign and return the application. Paradigm will manage the process from there.