

# Future2 Foundation Workplace Giving Program

Information for employers and employees

## **What is Future2 Foundation Workplace Giving?**

Workplace Giving enables employees to make regular charitable donations from their weekly or monthly pre-tax income, resulting in an automatic tax reduction. It is a simple and effective way to regularly donate to Future2, the foundation of the financial planning profession, through automated payroll deductions.

The giver does not have to worry about keeping receipts, nor wait until the end of the financial year to obtain a tax benefit - the employer deducts the donation amount from salary before deducting tax so the tax benefit is immediate.

So a \$20 pre-tax donation costs an employee only \$13.50 after the automatic tax deduction, but Future2 receives the full \$20 (assuming the employee is on the marginal tax rate of 30% plus Medicare ie. 31.5% in total).

It is a great way to encourage a group of work colleagues, your staff, and indeed the whole of a business to support Future2.

## **How to set up a Future2 workplace giving program.**

Workplace giving is optional. Both the employee and the employer must agree to participate. Employers simply invite their employees to enter into a Future2 workplace giving program. Employees then nominate the amount they wish to donate, usually a fixed amount deducted on each pay day, but it larger one-off donations, for example following a bonus payment, may also be made. The donation is paid directly by the employer to Future2.

The workplace giving arrangement does not affect an employee's gross income or other calculations, such as superannuation guarantee payments or fringe benefits (FBT), but the tax benefits of the tax deductible donation are immediately realised.

If you decide to start Future2 workplace giving program, Future2 will be pleased to discuss the process, so that you can seek to ensure that you meet your obligations as an employer and that the program runs smoothly.

## Employee entitlements and benefits

Making donations to Future2 via workplace giving allows employees to spread their donation over the year. Depending on the amount donated and any details specific to the company's workplace giving program, your employees may have the amount which would normally be withheld each pay period reduced to take account of the donation made.

Employees making donations via a workplace giving program must be given either:

- written confirmation outlining the total donation amount for the income year, or
- a payment summary that includes the total amount donated.

Individual income tax returns are not affected by workplace giving. Donations made under a workplace giving arrangement and donations made direct to Future2 are completed in the same way on the income tax return.

Total gross income and tax withheld, as notified on payment summaries, must be shown at Item 1, Salary and Wages. The total amount of donations made to Future2 Foundation should be shown at Item D8, Gifts and Donations.

## Why encourage workplace giving?

For employers, workplace giving is an expression of corporate social responsibility, which in turn enhances staff loyalty and morale, and the perception that your company is a good place to work. Workplace giving also offers both the company and employees a sense of engagement with community initiatives which are supported by Future2.

## More about Future2

Future2 will provide regular feedback to both employers and employees about the impact of the financial support that it receives and how this is applied to the benefit of the whole community.

You can check the DGR (Deductible Gift Recipient) status of organisations entitled to receive tax deductible donations on the Australian Business Register (ABR) at [www.abr.gov.au](http://www.abr.gov.au) or by phoning 1300 130 248. You can check the DGR status of Future2 Foundation Limited by quoting its ABN 43 090 835 227.

## For further information:

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