



LeasePlan

# Novated Leasing

Let's get  
started.



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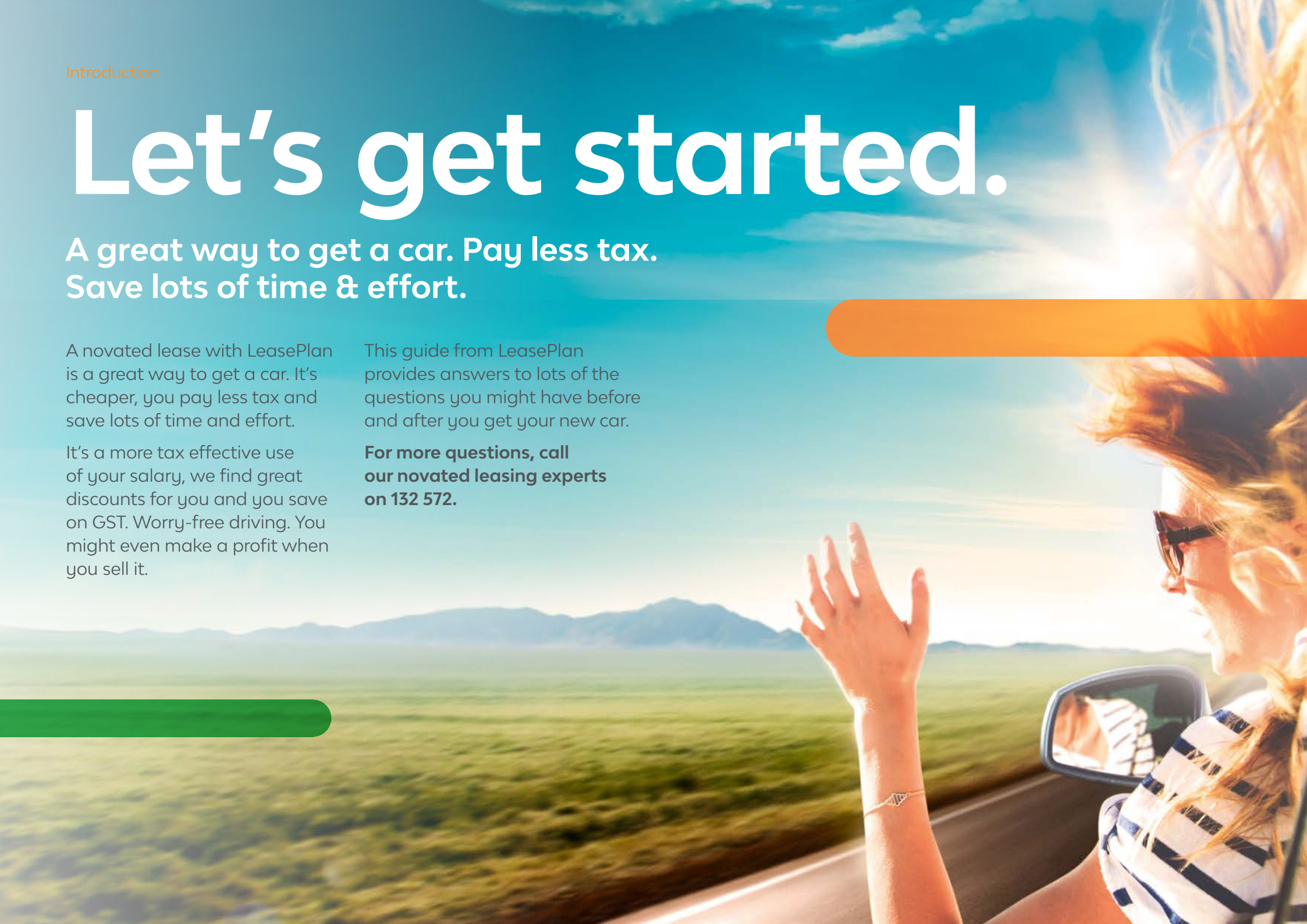
A great way to get a car. Pay less tax.  
Save lots of time & effort.

A novated lease with LeasePlan is a great way to get a car. It's cheaper, you pay less tax and save lots of time and effort.

It's a more tax effective use of your salary, we find great discounts for you and you save on GST. Worry-free driving. You might even make a profit when you sell it.

This guide from LeasePlan provides answers to lots of the questions you might have before and after you get your new car.

**For more questions, call  
our novated leasing experts  
on 132 572.**



# What is a novated lease?

It's an agreement between you, your employer and LeasePlan that lets you choose the car you want and bundle all the predicted costs into a fixed monthly payment that's deducted from your salary.

The obligation for payment is transferred (novated) from you to your employer. Your employer makes deductions via payroll and pays LeasePlan directly.

You retain ultimate responsibility to make any payments under the lease if you leave your employer or if your employer fails to make payments on your behalf.





# What is a novated lease?

## What it isn't

### **It's not just for people who drive lots of kilometres**

It doesn't matter how many kilometres you drive, you still get the same tax benefits.

### **It's not just for people who drive lots for business**

You might never use your car for business purposes – you can still save thousands.

### **It's not just for employees who earn lots of money**

Every employee can reduce the income tax and improve their take home pay by getting their car this way.

### **It's not too expensive**

Other forms of financing a car might look cheaper, but take the time to truly compare. Remember novated leasing is one tax-effective monthly payment covering all your car's costs – fixed for the term of your lease. You might get a cheap finance rate when packaging in your mortgage, but it doesn't include all the car's running costs and it doesn't give you the income tax reductions.

## Who can get one?

Any full-time employee in Australia can take out a LeasePlan novated lease, subject to their employer's salary packaging policy and a simple credit check.





The basics / Novated leasing

Why is it the best way to get a new car?

# Benefits to you.

## Enjoy discounts

Receive discounts on cars and running costs from LeasePlan without lifting a finger.

## Lots of choice

You can choose almost any car you like.

## Save on GST\*

Save on vehicle purchase price or running costs.

## Salary packaging

Pay less tax.

## No more 'billshock'

All car costs included in your payment, you have no 'billshock' at registration or insurance renewal time – never open your wallet for your car.

## Best way to buy

Compared to any other way to get a new car, this saves you money and time.

## Choose who drives

You can even get the car for your partner or child – it doesn't have to be you who drives your salary packaged car.

\* LeasePlan claims GST Input Tax Credits on the vehicle purchase and on all operating costs, so you save on GST. There is GST applied to the residual value at lease expiry (limitations on luxury vehicles)  
Examples – compared to financing with post tax salary ref <https://www.leaseplan.com.au/drivers/savings-explained/novated-lease-comparisons>





Novated leasing

Getting your new car.

# Start with a quote.

To find out if a novated lease is right for you and what type of car you can afford, the best way is to create and compare some quotes.

Compare different vehicles and lease terms to understand what is best for you. For the best comparison, we ask you for your annual salary and an estimation of the kilometres you are likely to drive each year.

You can register with LeasePlan Online and start exploring on your own, or call us on 132 572 and let us do the exploring and explaining for you.

To register, you'll need your work email address and your employer's customer number. If you don't know your customer number, check your company's internal communication pages to find direct links or give us a call on 132 572.

## Getting your new car.

# Pick the right car.

### New cars

LeasePlan has extensive new car supplier networks around Australia. We have negotiated healthy discounts on most make/models and our quotes will reflect these discounts.

You might do your own exploring and source your own pricing. If you do, please make sure you do not sign or commit to anything until LeasePlan confirms that you can lease the vehicle. Get a detailed quote and provide it to us first.

### Luxury cars

Your lease might be classified as a 'luxury lease' if the amount financed is greater than the car limit set by the ATO (currently \$ , ). These leases are treated differently for income tax purposes and may attract additional costs.

With luxury leases your employer cannot claim the lease rental as a tax deduction. Instead your employer can claim only a lesser deduction by calculating a nominal interest and limited depreciation values. This imposes additional costs on your employer who may choose to recover this cost from you if you select a vehicle where the total amount financed exceeds the car limit.

### Second-hand cars

LeasePlan is one of the few companies that will allow you to choose a second-hand vehicle, subject to conditions including:

- The vehicle will be financed at its assessed market value
- It must be no more than 10 years old at the end of the lease term
- It must be have no more than 300,000 km travelled at the end of the lease

### The order process

Once you've chosen the right car and lease term, it's time to order. You'll be required to complete a credit application and to provide some supporting documentation.



## Inclusions

# What do I get.

LeasePlan will include comprehensive insurance and accident management services in your lease to keep you safe and covered on the road.



### Comprehensive motor vehicle insurance



### Maintenance and repairs

Lease budgets will cover manufacturers' specified servicing schedules, as well as any repairs that are the result of normal driving and fair wear and tear, inclusive of LeasePlan's pre-negotiated discounts through its supplier network



### Registration

Statutory cost set by State authorities, with payments and renewals managed by LeasePlan for you. The vehicle is registered in your name



### Fuel

Your fuel budget is set based on your estimated annual kilometres and we provide you with a fuel card so you can fill up without cash.

All management fees are fully disclosed

### Management fees



### Regular reporting

Our reporting will allow you to track and compare actual and budgeted costs throughout the lease term, ensuring you know what you're using and what you're paying for.



### Tyres

Allowance for tyre replacements required for your vehicle based on lease term and estimated kilometres.



### Roadside assistance

This service is provided where coverage is required beyond any provided by your vehicle's manufacturer (e.g. two-year warranty but your lease is for four years - this service kicks in when the manufacturer warranty expires).



### Replacement car (if chosen)

You must actively choose to opt-in for this service. If you do, you have access to a replacement car if your vehicle is off the road for more than one day due to major maintenance/repair.



### Miscellaneous operating cost

To cover some items excluded from standard maintenance programs, including broken glass, windscreen wipers, minor impact damage and vandalism. Insurance excesses can also be paid through this provision

## Lease payment

The cost to finance your vehicle for the nominated lease term, based on amount financed, interest rate, lease residual value, lease term.



Novated leasing

## Tools and support

# Everything I need.



### My LeasePlan

A free app for iOS or Android that links you, your car and all your included services – track your lease, find suppliers, get help and send us requests or feedback.

[leaseplan.com.au/app](https://leaseplan.com.au/app)



### Customer service

In person, on the phone or online – we offer a wide range of support whenever and wherever you need it.



### Cashless driving

Don't open your wallet – everything is covered – swipe your fuel card or just drop it off and pick it up for servicing and repairs.



### Detailed cost reporting

We'll provide regular, detailed reports that show all your vehicle costs



### LeasePlan online

Easily update your details, request a change to your agreement, or plan for your next car

## End of lease

# What happens...

### When my lease term ends?

LeasePlan will be in touch well before your lease term ends to explain all your options and provide the support you need.

We can help plan your next novated lease so you can step out of one car and into a new one.

When your novated lease ends, you can choose one of the following:

- 01 Choose a new car to continue enjoying all the perks of a novated lease
- 02 Like your car? Extend your lease for a further term
- 03 Sell the car, payout the residual value to LeasePlan, and pocket any profit tax-free

### When my employment changes?

If your employment ceases for any reason, you choose\*\* from the following:

- 01 Continue the lease by paying monthly payments directly to LeasePlan
- 02 Terminate the lease early by paying out the lease on the day of departure
- 03 Arrange a new novated lease with your new employer (subject to conditions)

\*\*Other termination options may apply - refer to your Employee Vehicle Lease Agreement - Settlement Annexure.



## The detail

# Dollars & cents.

### Residual value settings

The residual value is the amount that remains owing at the end of the lease term. It is normally expressed as a percentage of the vehicle cost price. The residual value is determined at the beginning of the lease.

**LeasePlan follows ATO guidelines in relation to Minimum Residual Value setting, as per the following table:**

12 mth	65.63%
24 mth	56.25%
36 mth	46.88%
48 mth	37.50%
60 mth	28.13%

### FBT and ECM

Your novated lease is liable for Car Fringe Benefit Tax. The FBT liability, which your employer incurs, is charged back to you as part of your salary deduction.

FBT is calculated using a flat 20% statutory rate, regardless of the distance travelled each year.

The Employee Contribution Method (ECM) helps to improve your packaging benefits by eliminating your FBT. It does this by allocating a part of your lease payment as a post-tax contribution (instead of having 100% of your costs deducted from pre-tax salary). This will show on your pay slip as a second salary deduction post-tax.

LeasePlan will calculate your post-tax contributions to eliminate your estimated Car FBT liability, lowering your overall packaging cost and increasing your disposable income.

ECM improves the tax effectiveness of novated leasing for any employee below the highest tax rate.

Speak with your Novated Leasing Consultant if you have any questions about FBT and ECM on your novated lease.



# LeasePlan

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