



Novated Leasing Benefits Employee

What is a novated lease?

A novated vehicle lease is an arrangement between you, your employer and LeasePlan where the obligation for the payment of lease rentals is transferred (novated) from you to your employer for the term of the agreement, so your employer pays your lease rentals and operating costs directly to LeasePlan.

It enables you to lease a vehicle of your choice, while enjoying the tax-effective benefit of financing the vehicle and its operating cost from pre-tax (or a combination of pre-tax and post-tax) salary.

LeasePlan calls its novated lease products Corporate CarPlan.

What are the benefits of novating a vehicle with LeasePlan's Corporate CarPlan?

- Significant discounts on new vehicle prices through LeasePlan's buying power
- Great savings above retail on vehicle operating costs (fuel, maintenance, repairs, etc)
- Significant pre-tax savings on lease and operating costs
- Choose from an extensive range of vehicles
- LeasePlan can claim a GST Input Tax Credit on the vehicle purchase and on all operating costs, so you will enjoy GST free motoring. You only pay GST on the residual value at lease expiry
- Eliminate FBT liability with the Employee Contribution Method (ECM)
- The vehicle is registered in your name, so no stamp duty if the vehicle is purchased at lease end
- A potential income tax-free lump sum benefit at lease expiry

What is the deal with FBT and ECM?

Fringe Benefits Tax (FBT) is applied to vehicles that are salary sacrificed pre-tax. There were four FBT thresholds based upon the annual distance actually travelled, but these are being phased out following the May 2011 Federal Budget.

DISTANCE TRAVELLED DURING THE FBT YEAR (1/4 - 31/3)	STATUTORY RATE (MULTIPLIED BY THE COST OF THE CAR TO DETERMINE A PERSON'S CAR FRINGE BENEFIT)				
	EXISTING CONTRACTS	NEW CONTRACTS ENTERED INTO AFTER 7:30PM (AEST) ON 10 MAY 2011			
		FROM 10 MAY 2011	FROM 1 APRIL 2012	FROM 1 APRIL 2013	FROM 1 APRIL 2014
0 to 15,000km	0.26%	0.20%	0.20%	0.20%	0.20%
15,000 to 25,000km	0.20%	0.20%	0.20%	0.20%	0.20%
25,000 to 40,000km	0.11%	0.14%	0.17%	0.20%	0.20%
More than 40,000km	0.07%	0.10%	0.13%	0.17%	0.20%

The Employee Contribution Method (ECM) is where you make a post-tax contribution towards the cost of operating your novated lease, effectively eliminating the FBT and improving the tax effectiveness of the arrangement. Instead of salary sacrificing the complete vehicle lease cost (incl. Car FBT liability) from pre-tax salary, a portion of the vehicle lease cost is deducted as an 'employee contribution' from your post-tax salary. If you elect to use ECM, LeasePlan will calculate the post-tax contribution needed to completely eliminate your estimated Car FBT liability. By reducing or eliminating the Car FBT amount payable you lower the overall packaging cost and increase your disposable income.

What are the services included in a novated lease?

Depending on the agreement with your employer, Corporate CarPlan will incorporate operating cost services provided by LeasePlan at pre-negotiated discount rates through our national supplier network, which include:

- Maintenance and repairs
- Tyres
- Registration
- Roadside Assistance
- Fuel
- Miscellaneous operating cost
- Replacement Car (if chosen)
- LeasePlan Comprehensive insurance

How do I get one?

LeasePlan Online is a web-based tool that makes researching and applying for a novated lease with LeasePlan easy. If your employer says you are eligible for a novated lease with LeasePlan, simply ask your company's salary packaging administrator for the correct company number, and visit www.leaseplan.com.au, click through to LeasePlan Online and follow the instructions to register as a user.

Within LeasePlan Online, you will be able to take advantage of the following:

- Quote in real time with accurate pricing and 24/7 access
- Create multiple quotes to compare before deciding on the best option
- Lease Application – allows you to manage your lease application, including credit application within your company's agreed novated lease policies
- Agree to quote and order your vehicle online
- Access news, tips, FAQs and driver guides from LeasePlan to make the most out of your novated lease.



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THE WORLD LEADING FLEET AND VEHICLE MANAGEMENT COMPANY