

ADVANTAGE LEASE



Take full advantage

Save 10% on the price of your new or used car by salary packaging with remunerator advantage lease.

With salary packaging you are able to buy your new or used car through a novated lease – and **not pay any Goods and Services Tax on the purchase.**

What is a Novated Lease?

A novated lease is a leasing arrangement where you enter into a finance lease agreement with an approved finance company (lessor) on the vehicle of **your** choice. You make a final payment – called the residual value – and then own the vehicle at the end of the lease.

When you take out the lease, you enter into a **Novation** Agreement with the Finance Company and your employer. Under the Novation agreement, your employer is responsible for the lease for the term of the lease or whilst you are an employee.

The car then becomes an employer provided benefit (ie Company Car). All lease payments and running costs for the car are taken out of your **pre** tax salary.

If you leave your employer, all future financial obligations for the motor vehicle will revert back to you and you will be responsible for all the lease payments and running costs from the date of leaving your employer.

You will always be responsible for the residual value. This is an amount paid at the end of the lease period to secure title to the vehicle. It is



subject to GST. Usually, the car is traded in to cover the residual value and a new lease undertaken for the replacement vehicle, or the finance lease is rolled over.

Approval of leases is solely with the Finance Company and employees will be subject to the Finance Company's usual credit approval guidelines.

The Finance Lease Agreement – Points to note

- The lease agreement is usually for between 2 and 5 years;
- GST is payable on the lease payments – but claimed back by your employer. Net effect to you is you do not pay the GST on the lease payments;
- A lump sum payment (called the residual) will be payable by you to the Finance Company at the end of the Lease. The residual is a percentage of the purchase price and is set at the start of your lease agreement. This residual payment is subject to GST.

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As your Salary package is rolled over each 12 months, you can vary these amounts from year to year to take into account extra expenses.

What's in a Novated Lease for you?

- Wide choice of new or used vehicle (Make, Model, Year, Colour, Options)
- Effective control of "your own vehicle"
- Portability of lease arrangement. The car can be transferred on change of employer if the new employer agrees
- All vehicle expenses are salary packaged (pre-tax) usually increasing disposable income
- Flexibility of determining amount to be packaged and terms of lease
- Possible profit on re-sale of vehicle (no capital gains tax)
- You do not pay GST on the Purchase Price.

Fringe Benefits Tax

Your novated lease agreement is subject to Fringe Benefits Tax (FBT). FBT is calculated on the Purchase price of the vehicle and the number of Kilometres you travel in an FBT year. There is no business use requirement.

The amount of FBT you will need to pay will be included in your salary package quote.

Running Costs

As a novation agreement accompanies a finance lease, the lease repayments only cover the amount financed. You make allowance from your salary (pre-tax) for the following expenses:

- Registration
- Insurance
- Petrol
- Maintenance/Service

An additional benefit is that all of the GST paid on the lease and running costs is claimed by your employer as an Input Tax Credit and paid back to the you via your salary package.

Motor Vehicle Packaging Service – Advantage Novated Lease

Remunerator currently manages more than 3,000 salary packaged motor vehicles.

Remunerator's Advantage Lease services enable employees to contact one telephone number – **1800 501 703** - in order to access the following Novated Lease packaging system -

- Advantage Lease Packaging Service
- Finance Application Processing Preparation
- Administration
- Maintenance Management
- Comprehensive Motor Vehicle Insurance

All our services are available to any employees who are entitled to salary packaging.

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Remunerator Motor Search

Go to www.remunerator-cars.com.au or call 1800 333 008 to use our vehicle sourcing service.

You can specify any make of new or used vehicle.

Advantage Lease Packaging Service

By contacting our toll free telephone number (1800 501 703), employees will be able to seek assistance from our Leasing Experts specially trained in salary packaging. Our experts will provide assistance in the budgeting of motor vehicle costs and FBT and calculate your 'what if' scenarios to determine the tax effectiveness and total cost to the package of the motor vehicle. They will then introduce you to the motor vehicle packaging process and provide a step by step procedure with service benchmarks.

Finance Application

The Advantage Lease System can take away the stress of individuals having to negotiate and apply for their own finance. Simply contact our toll free phone number and we co-ordinate the entire finance application on your behalf. You only have to deal with one person to arrange the complete novated lease.

Our Leasing Experts will arrange invoicing from the dealership, then prepare the lease agreement and the novation agreement for signing by the employee and employer. As soon as the signed documents are returned we arrange for the dealership to be paid and the car released.

Administration

Remunerator ensures that the novated lease is correctly and immediately incorporated into the employee's flexible remuneration package.

The advantage of this structure over using an external finance provider is that an external provider usually requires you to make the initial lease payment(s) from after tax dollars until the novation agreement can be incorporated into the salary package. With this service, the first payment will always be in pre tax dollars.

Maintenance Management

To assist employees in the ongoing maintenance and administration of your vehicle Remunerator can arrange for the supply of a petrol and maintenance card. Through this card, payment of petrol and maintenance is automatically made on your behalf.

Comprehensive Insurance

Remunerator can arrange insurance at the same time as establishing the novated lease. Remunerator can exercise considerable market power when sourcing competitive rates of insurance due to the fact we manage more than 20,000 individual salary packages.

You simply complete a one-page insurance application form at the same time as you sign for the novated lease.

Premiums are paid monthly from your salary package – you pay no money up front.

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Vehicle Leasing Quotation Request Form

Novated Lease

Please complete the details below and return to Remunerator Novated Lease:
Fax (03) 9805 5636 or Email
novated@remunerator.com.au

Your Details

Employer Name:

Employee Name:

Contact Numbers:

Work:

Home:

Mobile:

Fax:

Email Address:

Vehicle Details

Make:

Model:

Year:

Purchase Price:

Quote Details

Your Gross Annual Income:

Lease Term:

Kms (pa):

Estimated Running Costs (include petrol, maintenance, insurance and registration):

WHERE TO FROM HERE?

The first step is to see if buying a vehicle through salary packaging will be the best solution for your individual situation.

By faxing the attached quotation request form, you will receive a personalised computer projection showing how salary packaging works for you.

You will always receive a phone call before we fax your personal quotation.

You will receive a quote within **24 hours**.
Should you have any queries please contact
Remunerator Advantage Lease on **1800 501 703**.

Car Insurance quotes 1800 616 717.