



NOVATED LEASE BUYING A CAR? NOVATED LEASING CAN SAVE YOU MONEY

A novated lease is arguably the easiest and most cost-effective way of owning a vehicle in Australia.

There are two considerable savings with a Novated Lease. The first, when you buy the car using our 'fleet discount pricing' and the second is in the on-going operating costs. Throughout the term of the lease your operating costs continue to be free of GST and you can expect to save \$3,000+ per year.

What is a Novated Lease?

A novated lease is an agreement that allows your employer to deduct money from your salary to pay for your vehicle and running costs on a monthly basis. It can help you access your money pre-tax, meaning you don't have to pay the pay-as-you-go [PAYG] on your vehicle expenses.

Put simply, a Novated Lease can save money compared to financing a new car using your post-tax salary.



No GST

With a novated lease, you don't pay GST. Save the 10% GST on any new car, plus the fuel, parts and servicing costs of any new, second-hand or existing car.



No Deposit

There is no requirement for a deposit



Discounted Vehicles

Secure the best vehicle purchase price through our huge buying power and fleet discounts.



Novated Lease Tax Benefits

As your lease repayments are taken out of your pre-tax income, your taxable income is reduced – meaning you pay less tax.



Affordable Fixed Payments

With a fully maintained novated lease, all the running costs of your car – including fuel, registration, servicing and parts – are incorporated into one monthly budgeted cost.



Cheaper Fuel

Save on fuel at thousands of petrol stations across. Save not only the GST, but also the PAYG tax on the fuel you buy.

Who qualifies for Novated Leasing?

You may qualify if your employer offers novated leasing, provided you are a permanent employee and based in Australia. There may be certain criteria your employer sets up around eligibility, based on role or remuneration packages.

When entering into a novated lease, you will be required to apply for finance, which is no different to the process of apply for finance when buying a vehicle by yourself.

Can I only Novate through my employer?

Yes. A Novated Lease requires a legal 'salary sacrifice arrangement' with your employer.

Using Pay@bility's technology platform ensures that all information and transactions between parties complies to the ATO guidelines.

What is the benefit limit on a Novated Lease?

You can purchase any number of vehicles provided you earn enough salary, and the purchase price of each vehicle can only be packaged up to a maximum of \$57,581.

It is common for an employee to get one novated lease vehicle for their own use, and possibly an additional vehicle for their spouse/partner or family member.

What Does a Novated Lease Include?

All the running costs of your car are included in one monthly budget. This allows you to pay one consistent amount per month for the running costs of your car. Whatever is not spent at the end of the lease, is returned to you.

Some months, you will spend more and others you will spend less. Overall, your budget-to-actual expenditure should always be in surplus.

How much can I expect to save?

The higher your tax rate, the higher the amount of savings you can expect. This is because you pay 37c in each additional \$1 past \$90,000 and 45c in each \$1 past \$180,000.

Keep in mind, the lease term and running costs are also important factors.

Cumulative savings for a \$35k car across all three tax brackets



What does the lease term mean?

You may choose your novated lease term to be one of 1,2,3,4 or 5 years, with 3 years being the most common choice.

Insurances are available to protect you against unexpected lease terminations, car value, or inability to pay the lease.

What happens at the end of the Novated Lease?

When you come to the end of your lease you have three options:

- Purchase the vehicle by paying off the residual value.
- Extend the lease and refinance the residual value.
- Start a new lease by trading in your vehicle or selling it privately.

If you're leaving your employer, you may be able to transfer the lease to your new employer