



# NOVATED LEASE

Salary Packaging - give yourself a pay-rise!



## WHY A NOVATED LEASE?

A novated lease is available to all eligible employees and is one of the best ways to maximise your income and pay less tax with a novated lease you reduce your taxable income by paying for some of the lease and running costs with PRE tax dollars. This means you will pay less tax by salary packaging your next car.

### BENEFITS OF A NOVATED LEASE:

- You budget for all your running costs
- You pay for some of these costs with pre tax dollars
- The vehicle is for personal and private use
- New or used cars available, up to 12 years old
- Maximise your income and pay less tax
- The most cost effective way to buy a new car

## BUDGET AND INSURANCE

At SPA we calculate a personal budget for the running costs for your novated lease based on the type of vehicle and number of kilometres you drive. Your salary packaging budget includes, Finance, Fuel, Insurance, Registration, Services and Tyres.

Your budget is flexible and you can adjust your deductions during the term of your lease. The funds in your salary packaging account is your money and if you have surplus funds in your salary packaging account, you can have these funds re-directed back to you via your payroll.

Your insurance premiums are also included in your salary packaging budget. Speak to one of our consultants to discuss your insurance options.

You will also have access to your account online to track your balance.

## KILOMETRES

When you salary package a vehicle we will ask you to estimate the number of kilometres you will drive per year. This is used to calculate your running costs for your vehicle. You no longer have to travel a required amount of kilometres to gain a tax benefit. In short, everyone can benefit from salary packaging a car!

## HOW DO I PAY FOR MY RUNNING COSTS?

When you salary package with SPA, you will receive a Motorpass card to pay for your running costs such as fuel, tyres and servicing.

The Motorpass card is accepted at 97% of fuel providers in Australia. The Motorpass card can also be used for servicing and purchase tyres at selected retail outlets.

The convenience of the Motorpass card allows your purchase to be deducted directly from your salary packaging account without sending through invoices for reimbursement.

You still have the choice and flexibility to shop around and use your own service centre without using the retailers aligned with Motorpass. You simply pay for these and forward on your proof of payment and we will reimburse you out of your salary packaging account.

## RESIDUAL VALUE

The residual value or sometimes called a balloon payment, is the portion of the car that is not repaid during the term of the lease. You will know exactly how much your residual value is before you commence your lease.

At the end of your lease you have a number of options available to you to meet your residual. SPA will contact you prior to the completion of your lease to assist you with your options.

The residual amount is set by the ATO and is determined by the length of your lease. Your lease term can range from 1 year to 5 years.

See how SPA can help decrease your expenditure whilst saving you income tax and GST each pay cycle!



Vehicles



Superannuation



Insurance



Mortgage



Rent



Work Equipment



Education



Memberships

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