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1800 811 922

YOUR GUIDE TO NOVATED LEASING

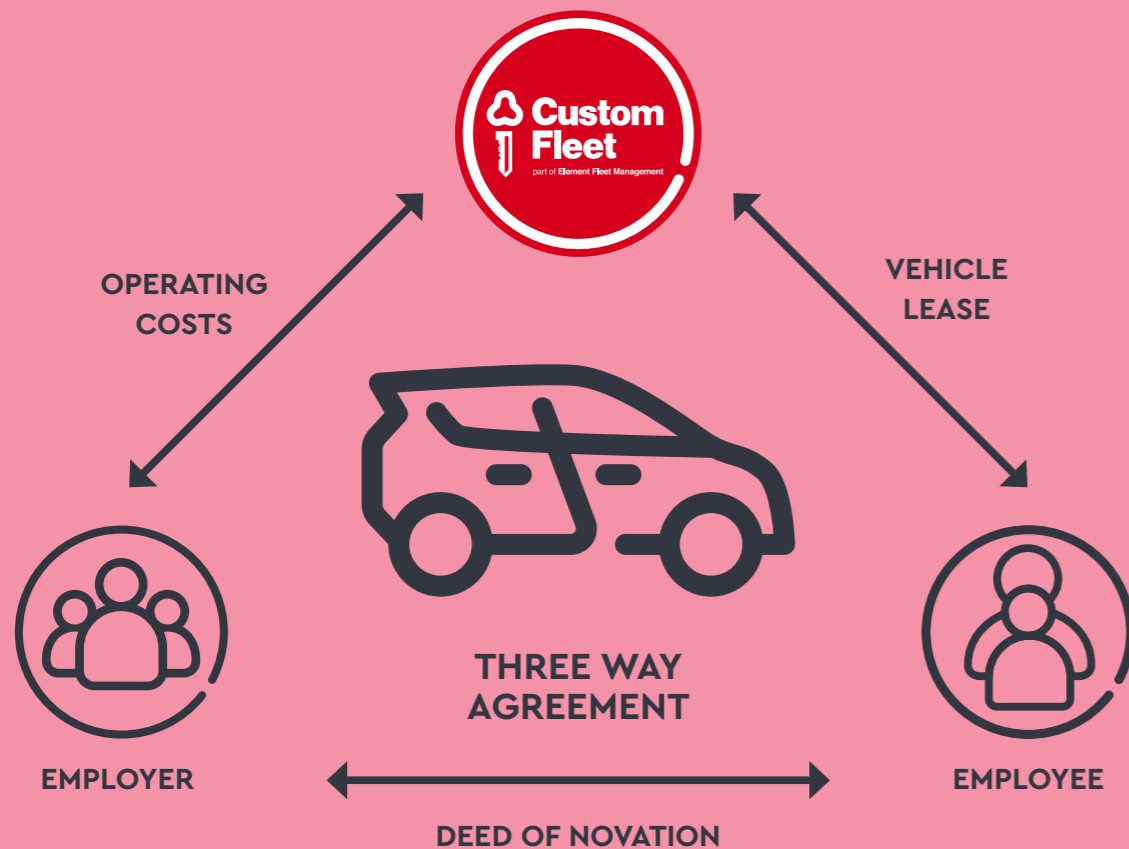
Get the car you love  
the smart and easy way



# Novated Leasing made easy

A Novated Lease is a three way agreement between you, Custom Fleet and your employer. It can potentially save you thousands by bundling all your car payments and running costs into one simple payment taken from a combination of your pre and post-tax salary.

We believe in making leasing and running the car you want as easy as possible. So this guide will help you understand everything you need to know to make the best choices – and drive away in your new car sooner, with minimal upfront investment.



## Here to help

Got a question?

Ask our Novated Leasing experts, call **1800 811 922** or visit [drive.customfleet.com.au](http://drive.customfleet.com.au)

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**Note:** All applications for finance are subject to normal lending and credit criteria. Terms, conditions, fees and charges apply. The information contained within this booklet is general in nature. It serves as a guide only and does not take into account your personal objectives, circumstances or financial needs. Before you act on this information you should seek your own independent legal and financial advice.

# Benefits of a Custom Fleet Novated Lease

A Custom Fleet Novated Lease allows you to bundle everything into a customised very easy-to-use package, paid out of a combination of pre and post-tax salary. You get access to a range of exclusive benefits covering servicing, fuel, insurance and even the disposal of your vehicle at the end of your lease.

We show you where to start, provide a straight-forward online reporting system and you'll get personalised service from our team of Novated Leasing specialists.

**The only thing you need to worry about is choosing what car you want.**

**A Novated Lease with Custom Fleet can potentially save you thousands by bundling all your car payments and running costs into one simple payment, taken from a combination of your pre and post-tax salary.**

# How you can save with a Novated Lease

**With a Novated Lease from Custom Fleet you could:**

- Save by reducing your taxable income,
- Save GST on the purchase price of the car and its running costs,
- Save on servicing and maintenance with all costs vetted and approved by Custom Fleet mechanics,
- Save on fuel with Fleet Card,
- Save time, with one easy payment and a range of exclusive benefits.



Here's how you can make the most of your Novated Lease, at every stage of the process.

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# Your choice of lease options

Once you've chosen your car, the next step is to select the lease option that suits your needs. At Custom Fleet, we have two types of leases available.



## Budgeted Finance Lease

Take control of costs, and take responsibility for the residual value.

If you'd like to stay more in control of your car running costs, and like the option of keeping or trading in your car at the end of your lease, this option is for you. We'll set a budgeted amount for your running costs and advise the residual value of your car upfront. At the end of your lease, you can keep the car and pay us that amount, or sell it and pay or keep the difference.



## Fully Maintained Operating Lease

Everything included, with no surprises

If you prefer the certainty of having full service maintenance coverage and want to hand your car back at the end of the lease, this option is for you. You'll know exactly what it costs to run your car each month, and you will simply need to return the car to us at the end of the lease. As long as the car is in good condition (fair wear and tear excepted) and within the kilometre limit, you won't have any further payments to make.

	Budgeted Finance Lease	Fully Maintained Operating Lease
Residual Value Obligation	With You*	With Custom Fleet
Vehicle Financing Costs	✓	✓
Vehicle Delivery Costs	✓	✓
Service & Maintenance Costs	Budgeted	Fully covered
Replacement Tyres	Budgeted	✓**
Breakdown Assistance	✓	✓
Registration and Renewal†	✓	✓
Accident Management	✓	✓
Peace of Mind	✓	✓
Online Reporting	✓	✓
Fuel Card (Fleet Card)	✓	✓
Comprehensive Insurance^	✓	✓

\* You agree upfront with Custom Fleet to guarantee the Residual Value of the vehicle. At the end of the lease term, if the GST exclusive sale price or valuation (less costs) is less than the agreed Residual Value, then you pay the shortfall to Custom Fleet.

\*\* A nominated number of replacement tyres may be included, depending on the lease kilometre limit.

† Custom Fleet will administer the registration renewal. You are responsible for satisfying any conditions such as sending us the registration papers, or having the vehicle inspected in States or Territories that require a road safety certificate.

^ Custom Fleet is not an insurer. We can arrange comprehensive motor insurance on your behalf or you can choose to source your own.

# Add up the savings

Novated Leasing makes leasing and running your car easy. But it may also save you thousands of dollars. Here's how those savings could add up for you.



## Salary sacrifice your car payments

With Novated Leasing, you pay part of your car running expenses and lease repayments out of pre-tax dollars – effectively reducing the amount of income tax you pay.



## Cut out the GST

You would usually pay GST on the purchase price of a car as well as most vehicle-related expenses. But through Novated Leasing you can save even more because we are entitled to claim back the GST, and your employer can also claim back some of the GST paid on lease payments. This means you will not pay GST on the car purchase price or running costs. GST may be payable on the payout amount at the end of the lease if you choose to keep the car.



## Minimise your FBT

Using the Employee Contribution Method (ECM) is a good way to further reduce your tax liability. If you make post-tax salary contributions towards your car's running costs, it will reduce your Fringe Benefits Tax (FBT). This is easy to set up, but you need to discuss it with your HR department or employer to make sure they can administer the ECM.

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# You're in control

It's always good to know where you stand. So Custom Fleet's online reporting system gives you instant access to all the information you need to make your Novated Lease as simple as possible.



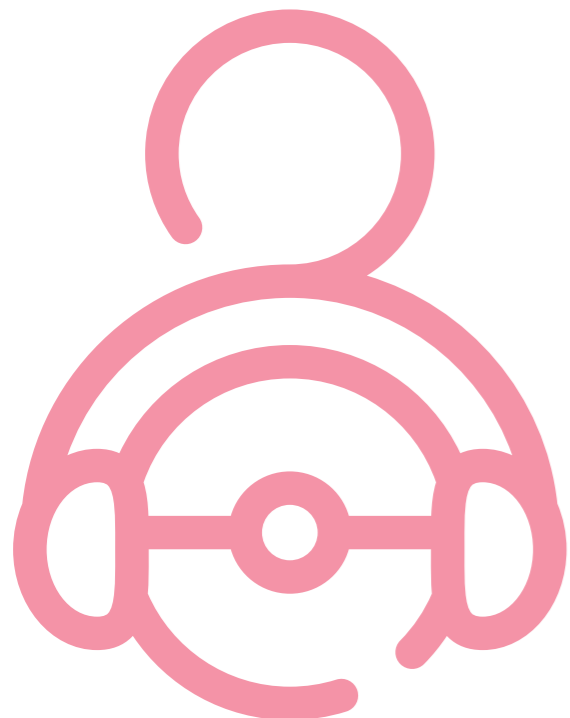
### Novated Driver App

Step one, we recommend you download the Custom Fleet Drive App. The Drive App is the easiest way to access key contacts and important information about your vehicle. You can use this to keep track of your budget, report a lost, stolen or damaged fuel card and easily find your nearest repair centre or fuel outlet.



### Online reporting

You can also log into your online dashboard 24/7 to check your car and lease details and run reports on expenses. We even have an advanced warning tool to let you know if your actual mileage or usage deviates from the original budgeted amounts.



# Add up the savings

Here's an example to show just how much you could save with a Novated Lease.

Bob wants to buy a Toyota Kluger GXL, with a recommended drive away price of \$59,010 including GST. His gross annual income is \$90,000 and he decides to take out a four year Novated Lease.

He expects to drive less than 15,000km per year.



Custom Fleet negotiates a discount with the dealer, and Bob doesn't have to pay GST on this price.	\$59,010 - \$5,166 = \$53,844 - \$4,651 = <b>\$49,193</b>
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**Bob has already saved \$9,817** (and a lot of hassle with dealers) compared to the recommended drive away price.



Bob's monthly Novated Lease package includes:

Lease rental .....	\$986.79
Service and maintenance .....	\$23.89
Fuel.....	\$212.00
Comprehensive insurance. ....	\$152.57
Total (Ex GST).....	<b>\$1,375.25</b>



To minimise his FBT payment and maximise his PAYG tax savings, Bob splits his monthly lease payments between pre-tax and post-tax contributions.

Pre-tax contribution .....	\$600.00
Post-tax contribution.....	\$852.77
GST on post-tax contribution.....	\$77.52

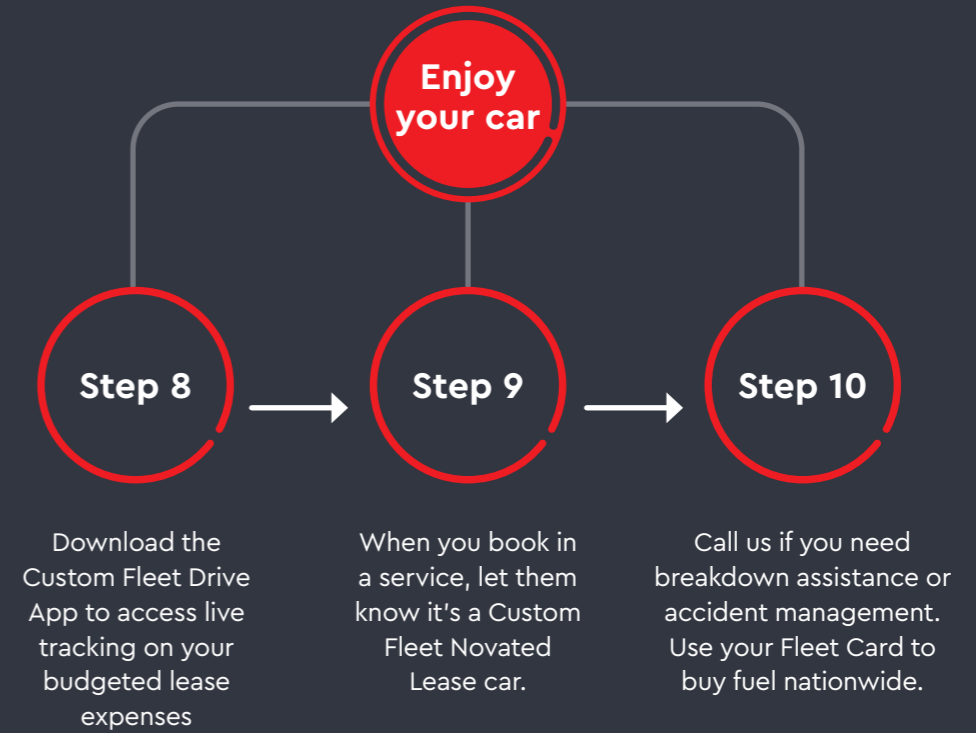


**Bob has just reduced his annual taxable income by \$7,200.** This means he'll pay \$234 less in PAYG tax each month – adding up to \$2,808 a year for the four years of his lease.

Our customers typically save between \$2,000 to as much as \$10,000 per year on their income tax by salary sacrificing their car payments. If you'd like help working out exactly how much you could save, please call 1800 811 922 and talk to one of our Novated Lease experts.

# Getting started

Our Novated Leasing process couldn't be simpler. Here's how it works!



# Your questions answered

## Before you apply

### What is included in my Novated Lease payment?

We've taken all the hassle out of running your new car by including insurance, maintenance and tyre management, fuel, breakdown assistance, 24/7 accident management and registration – all bundled into one easy payment. Please note we can't include tolls or parking infringements, under ATO guidelines.

### Can I choose my own comprehensive insurer?

Yes. All leased vehicles must be comprehensively insured, and this cost is included in your package. You have two options:

- We can arrange insurance through our preferred supplier at competitive rates, designed with Novated Leasing in mind, or
- Source your own insurance and provide the annual premium and policy details to us so we can reimburse you and then include this amount in your package.

### What type of lease do most people have?

In general, it's fairly evenly split between Fully Maintained Operating Leases and Budgeted Finance Leases. The average term is 3 years but you can choose up to 5 years for an Operating Lease, or 7 years for a Budgeted Finance Lease.

### Do I have to pay Fringe Benefits Tax (FBT)?

Yes, FBT is incurred through a Novated Lease, however if your employer can support the Employee Contribution Method and you make contributions from your post-tax income towards your running costs equivalent to the FBT liability, you will reduce the FBT liability to zero.

### How does the Luxury Car Tax Limit affect my lease?

If your car's purchase price is above the Luxury Car Tax Limit, (which is determined by the ATO), this additional tax will be itemised and included in your monthly lease payment. We recommend you seek independent financial, tax and legal advice before leasing a car that falls into this category.

### Can I buy any type of vehicle on a Novated Lease?

It must be deemed a 'car' by the ATO – motorbikes, boats or trucks do not qualify. Apart from that, you can choose any car you like, even a secondhand car (subject to satisfying certain conditions).

### When will I get my car?

Delivery time depends on the availability of stock at dealerships or manufacturers, optional extras, colour selected and the build dates. If your vehicle needs to be ordered and built to specifications this can delay delivery.

## During your lease period

### Who can drive my Novated Lease car?

You are responsible for anyone who uses the vehicle and there may be specific restrictions from your insurer or employer about who can drive the car.

### When will I get my fuel card, and where can I buy petrol?

You should receive your Fleet Card within 5 working days of your car delivery. Fleet Card is accepted at over 6,000 participating multi-branded service stations around Australia. You can search for your nearest service station via the Merchant Locator tool on our website.

### What do I do if I need help once my vehicle has been delivered?

You will receive a Driver's Assistance Card with your Welcome Pack. This card details a 24-hour Driver Assistance number – we're here to help with any accident, breakdown or vehicle repairs. The card also has important information you will need for Driver Assistance – we recommend you keep it in your glovebox.

### What do I do when my car is due for a service?

Use our website Merchant Locator to find your nearest dealer and organise a convenient service time. Let them know your car is leased with Custom Fleet and they will know what to do next.

## Ending your lease

### What happens if I leave my employer during my lease term?

If you leave or are planning to leave your employer, they must notify Custom Fleet by submitting an Annexure B form as soon as possible. The novated agreement with your employer will be terminated once you leave that company, and you become the lessee of the vehicle. You will therefore become responsible for making all lease payments directly to Custom Fleet. There may be other arrangements available – please contact us on 1800 811 922 for more details.

### What happens at the end of my lease?

A few months prior to the end of the lease term, we'll make contact to remind you that your lease term is approaching and outline your available options.

### What happens to my car at the end of the Novated Lease?

It depends on the type of Novated Lease you have. You may be able to keep or trade in the car after making a residual payment, or we can help you sell it. Or you can just hand it back with the keys, and upgrade to a new car on a new lease.

### How do I track what I have spent against my lease budgets?

download Custom Fleet's Novated Driver App to have access to live tracking of your lease budgets.

### How do I manage my car registration?

Custom Fleet will arrange for the car to be registered at our mailing address. The cost of registration is included in your lease.

### What if I spend less money than my budgeted amount?

The difference is returned to you via your payroll at the end of the lease term.

### What if I spend more money than my budgeted amount?

The difference is invoiced to your employer and deducted via your pre-tax salary during and /or at the end of the lease term.

### When is my actual spend vs. budgeted amount reconciled?

This takes place at the end of your lease term, unless one of the following events takes place:

- you are tracking ahead or behind on your budget, in which case we may reconcile the budget periodically,
- your employment is terminated, or
- you change employer.

## Here to help

Got a question?

Ask our Novated Leasing experts, call **1800 811 922** or visit

[drive.customfleet.com.au](https://drive.customfleet.com.au)

# Before you start



## Finding a Car

With Novated Leasing, you can choose any vehicle you like. The only conditions are:

- It must be deemed to be a 'car' by the ATO – so motorcycles, boats and commercial vehicles do not qualify, and
- It must comply with any policies or guidelines your employer may have.

We strongly encourage you to use one of our preferred dealers. If you use our Key Dealer network, you'll also benefit from:

- Competitive pricing
- Large range of models
- Access to the newest stock available
- A full tank of fuel (to a maximum of 70 litres) and
- Genuine accessories quoted and fitted.

We advise you not to sign any contracts or place a deposit before talking with us.

If you have already found a car, we will expect your dealer to comply with the same standards we place on our Key Dealers. They will need to complete and return a copy of our quote request form to progress the purchase of the car.



## Second-Hand Cars

You can lease a used vehicle as long as it meets the following criteria:

- It must be an ex-lease vehicle from Custom Fleet or purchased via a franchised motor vehicle dealer (subject to approval), and
- It must be less than 4 years old. At the end of your lease, it must also be no more than 7 years old and has less than 200,000 km mileage.

To find out more about available ex-lease vehicles, or for a quote request form, please contact us on 1800 811 922. We need your dealer to complete and return a copy of this form to progress the purchase of a used vehicle.

We know you're already thinking about what car you want, but it's important to check these details before you book your test drive.



## Company Policy

Make sure you are aware of your employer's Novated Vehicle Policy before proceeding with a Novated Lease. They may specify particular vehicle makes or models, salary sacrifice limits and other elements that may affect your Novated Lease.



## Tax Advice

Custom Fleet is unable to provide tax advice relating to your own situation or circumstances. Please seek your own independent tax advice to find out if Novated Leasing is right for you.



## Comprehensive Insurance

You must take out comprehensive insurance with a Novated Lease.

If you need help finding an insurer, we have a preferred supplier that offers competitive rates. The cost of your insurance is included in your lease package.







## How can we help?

A Custom Fleet Novated Lease expert can help you through the entire process, from your initial application to the end of the lease.

For more information on taking out a Novated Lease through Custom Fleet or to get a quote visit [drive.customfleet.com.au](http://drive.customfleet.com.au) or call **1800 811 922**.