

Novated Leasing FAQs for Employees

SAVE THOUSANDS
WITH A NOVATED
LEASE

What is novated leasing?

Novated leasing is a form of salary packaging or 'salary sacrifice' that, in a nutshell, allows you to pay for your car and all its running costs with pre-tax income. This involves an arrangement administered by Remunerator, between you, your employer and the financier.

All your vehicle running expenses and the cost of the car are bundled into one regular deduction. **This comes out of your income before tax is applied and your salary potentially falls into a lower tax bracket.**

What's included in a novated lease?

A novated lease includes the car and all its running costs. We help you set annual budgets for your vehicle running costs including servicing and maintenance, tyres, petrol, insurance and vehicle registration and CTP (if applicable). The cost of the car and running expenses are bundled into one regular repayment that is deducted from your income before tax is applied.

What are running costs?

Vehicle running costs refers to all the associated costs involved in running your car. This includes fuel, servicing, maintenance, registration, insurance, tyres, car washes and any other costs that you need to pay to on your car.

What's the difference between a novated lease and owning a car outright?

Whether you own your car outright or finance it, your expenses are the same. You still need to pay for fuel, registration, insurance and all other running expenses regardless of how you pay for the car. However, a novated lease provides you with a range of benefits and support services that aren't available through any other car buying options. A novated lease allows you to pay for the car and its expenses with pre-tax income whereas owning your car outright means you need to use post tax income.

The benefit of paying with pre-tax income means that your salary could fall into a lower tax bracket, saving you on income tax.

Can I get a used car on a novated lease?

Yes! You can get a novated lease on any car you want including brand new, used and demonstrator models. Remunerator's consultants will help you get the car you want based on your circumstances.

Can the car be for private use under a novated lease?

Yes! You can take out a novated lease on a car that is 100% for private use since the car is registered in your name.

How do I make financial savings with a novated lease?

A novated lease allows you make savings on GST and income tax. You don't pay GST on the car and running costs. The repayments for the car and your running cost budgets are taken out your pay before income tax is applied. Tax is then calculated on the leftover amount. This means your annual salary can fall into a lower tax bracket.

Do I have to drive lots of kilometres to benefit from a novated lease?

No! You can drive as much as you like and still benefit from a novated lease. Remunerator will help you set annual budgets for all your vehicle running costs. These budgets can be adjusted at any time depending on your personal circumstances.

How do I access the funds in my account?

You can pay for all your fuel, servicing and running expenses with a Remunerator fuel card. This works just like a debit card so you can access your budgeted funds directly from your account with Remunerator. If you cannot use your fuel card, you can simply submit your receipts through Remunerator's web app and will be reimbursed with the funds in your account.

How do I manage my novated lease with Remunerator?

We will setup your account and with unique login details to our mobile friendly web app called Your Package so you can keep track of your spending, submit claims, update your details and more.

What happens at the end of my lease?

You can continue to access the benefits of novated leasing by upgrading to a new car when your lease comes to an end. Remunerator's Retention Specialist will contact you 12 months prior to the end of your lease and help you get into the next car you want. Alternatively you can keep the car and pay out the lease, sell the car with our free sell my car service or refinance the remaining amount.

What do I have to do?

All you have to do is get your employer to allow you to have a novated lease, choose the car you want and get a quote to see how much you will save. Once you are happy, buy the car, sign some forms and get your new car delivered to you.

Remunerator will take care of the rest!