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with our smart novated lease
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# what is a novated lease?

A novated lease is an ATO-approved vehicle finance option with a **major income tax saving benefit.** All monthly repayments and running costs are taken care of by your pre-tax salary, helping you save big. You get to choose the car you want, and come pay day your employer pays your salary, less the monthly costs of the vehicle which you would have paid anyway. Everything is prepaid, so you can go out and live life with freedom.

## how do I qualify for a novated lease?

Anybody who receives a salary as a full-time or part-time employee and pays tax as you go (PAYG) is eligible for a novated lease.

## how much will I save?

It all depends on things like the car you choose and your annual salary, but the average tax saving for a Fingo client with a novated lease in FY2020 was $4307*. The higher your running costs, the more you'll save!

*Average annual saving is based on the average annual novated lease savings archived for our customers in FY2020. Annual novated lease savings = Annual Post Tax Savings x Lease length + GST Savings.

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## what can we include in your novated lease?

**Your monthly repayments plus anything it costs to run your vehicle. You can choose what those costs are, whether it be:**

- Fuel
- Registration
- Insurance
- Services and Maintenance
- Tyres
- Roadside Assistance

We'll discuss everything and allocate a tailored monthly budget so you can avoid unexpected expenses and go with confidence. And the best part is, your budget can be carried over to the next month or paid out with your salary.

## 5 simple steps to get you started...

**It starts with a quick consultation call where we'll talk about the car you want, the finance aspect and a tailored monthly budget.**

**Time for the car shopping fun! Our colleagues at CarBroker.com.au can help you find the best deal.**

**We handle the credit applications and get results within 24-48 hours.**

**We'll organize the paperwork, send it over and once everything's signed, your new car will usually be paid for within 24 hours.**

**As soon as your new car is ready, we'll arrange collection.**

**All Novated Leases are available on 12-60 month terms.**

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## we'll handle the hassles of getting your new car

Our car brokers have years of industry experience and established working relationships with dealers across the country, so you can count on us to save you time and money.

With our clear guidance, you don't have to worry about getting caught unawares by details like FBT, rego, insurance and servicing costs.

## what type of car can I get?

**You get to pick any car you like, new or second hand (up to 10 years old).**

We recommend going for a vehicle under $70,000 for tax benefit reasons; we're all about maximizing your tax breaks and saving you money!

**On average, our clients spend about $39,000 on a vehicle.**

## will my employer agree to a novated lease?

If your employer has never done a novated lease before, they may have questions on how it all works, how it impacts them, and how to set it up correctly.

**Our professional team is always here to assist in explaining the finer details.**

# all your questions answered...

## about your employer

**Do I have to use my employer's preferred novated lease supplier(s)?**
NO, unless your employment contract specifies that you have to use their novated lease supplier(s). Otherwise, you should have the choice to source a more competitive option for your novated lease as it is ultimately your money that is going to pay for it.

**I am looking at changing my job, but want to keep my lease with the new employer. Is this possible?**
If your new employer offers novated leasing, you will be able to transfer the lease across without paying out your loan, or refinancing and with all the same benefits.

## about your car

**Can I choose a luxury car under a novated lease?**
With some conditions. There will be a luxury car tax applied to the purchase price of your car (33% for every dollar over $68,740 or $77,565 for fuel efficient vehicles - FY20) and also a luxury car limit of $59,136 for leasing applies. This is the threshold where your GST benefit is maxed. This may also impact your employer and how they claim your lease payment as a tax deduction. Please call us to receive more general information, but refer to your accountant for any advice.

**My car service is due, what do I do?**
Your expenses are all planned and budgeted for so they are essentially prepaid. Once your service occurs, get them to call us and we will process the payment straight away.

**What petrol stations can I fill up at?**
Fingo will issue you with a motorpass card that covers about 97% of the providers in Australia such as BP, Shell, Caltex, and Mobil. Just a few small corner independents may be excluded.

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## about your novated lease

**Is it better for me to draw funds from my mortgage to pay for my car?**
No, as you will lose some very clear benefits. First of all, you will pay full price for the car as there is no GST benefit on the price of the car. Secondly, you must continue to pay for running costs for the next 4-5 years for the car, and you will no longer be able to use your pre-tax income to pay for it. By putting it on the home loan, you are also going to take a lot longer to pay back the amount you borrowed against it, as it's spread out over a longer term than 5 years.

**Do I have to pay fringe benefit tax (FBT)?**
No. All Fingo drivers using their car for personal use are set up under the employee contribution method. The FBT liability simply doesn't exist, because by making regular post tax contributions equal to your yearly FBT, it is offset 100%, meaning, there is no FBT for you to pay as it has already been considered.

**Can I change the residual?**
Yes, within reason. If you do a lower amount of kms per year than standard, you may be able to get a higher residual than the minimum. If you travel a high amount of kms per year, you may be able to get a lower residual than standard, given that you have a signed declaration of high km use letter.

**How do you decide the budgets for my running costs?**
A quick way to determine your running costs is by looking at the type of vehicle you are getting (i.e small hatch, sedan or 4X4) and the annual kms you are travelling to estimate your budgets for fuel, tyres, and servicing. We can apply this estimated budget to your lease package, or use your current real life costs and apply those. Whichever way we do it, we want to ensure we set up the correct budgets to begin with.

**What happens if I start to drive more or less kilometres than I had anticipated?**
This is not a problem, we will adjust your budgets as we go. All your budgets are flexible and can change over your lease as your circumstances do. Give our fleet team a call and we will arrange it for you.

**What happens at the end of my novated lease?**
You have a few options at the end of your lease term when your residual payment is due.

**1. Upgrade to a new car**

- You can trade in your car when you go to finance and pick up your new car. We will help you get the best trade price either through the dealership providing the new car, or we will offer one to you ourselves through our trade team. The key is to get more than what your finance payout is, so we will explore the best options for you.
- Sell your car privately. This is usually a more time intensive exercise for you, but private sales do mean you get more back for your car. This is really useful if you have the time to wait on the best possible price, but it is a little less convenient.

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**2. Refinance**
If you love your car and want to hold onto it for another few years you are always able to extend your term, also known as refinancing it. Your new lease payments will be based on the smaller residual amount, but your running costs will remain constant with the annual kms you are driving. This is a great option if you really love your car and want another couple of years to make the right buying decision!

**3. Pay off the residual**
You can make an offer to purchase the car outright from the financier (the residual value) and this will mean you own the car outright now. Your taxation benefits under a novated lease disappear however, so this option is best for those who have discontinued their employment and no longer wish to have a novated lease.

**What if I have surplus funds in my account?**
The funds we are holding in your account belong to you, and are there for everything related to the running costs of your vehicle(s). If you have surplus funds (due to over budgeting) you are able to access them at any time; they belong to you!

If required, we are able to refund that money back to you via your payroll, as the money needs to be taxed. You will receive it as a lump sum in the following months' pay.

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"Throughout the whole process of acquiring a vehicle, Veronica was always there and extremely professional. I cannot rate her level of customer service any higher. A wonderful experience."

- Adam

## got a question?
## ring us on 1300 134 646

We're good at explaining stuff. If there's anything else you need clarified such as the lease terms, interest rates, residuals or anything else, we're ready to chat.

schedule a callback

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