



# CustomFleet

part of Element Fleet Management

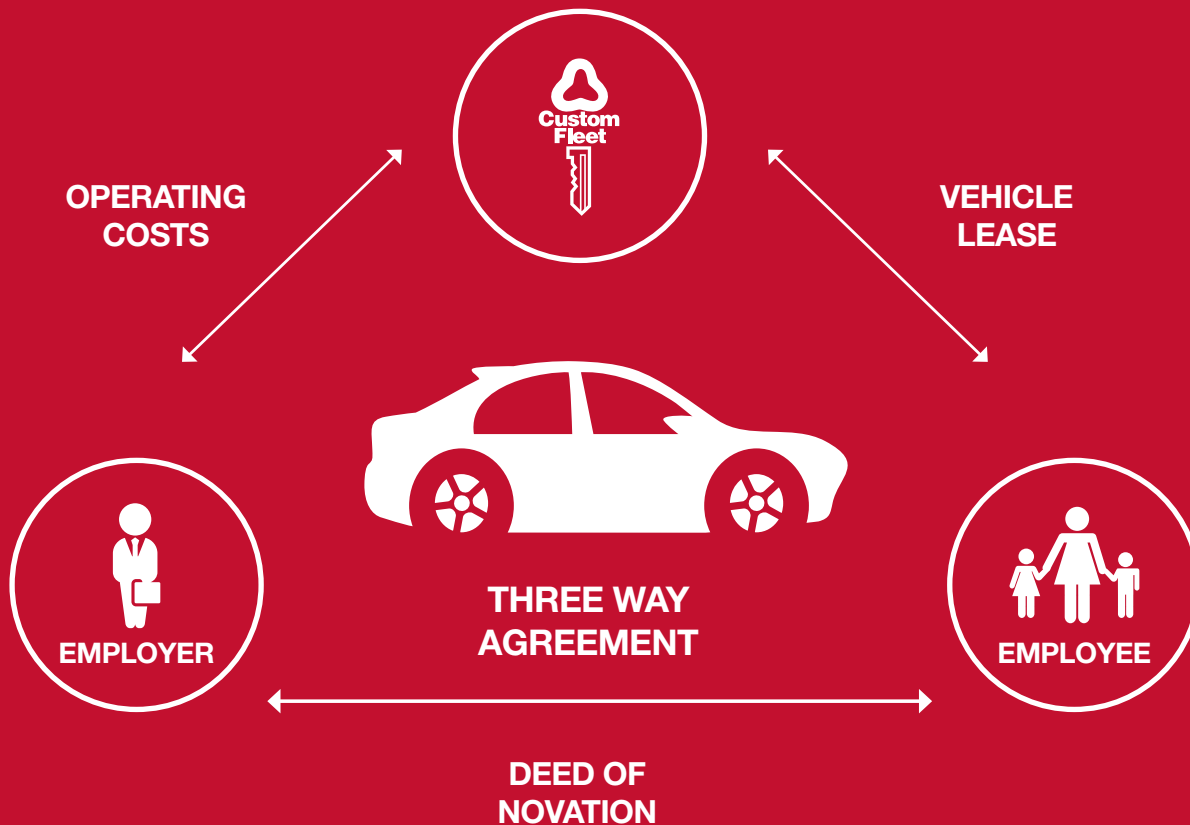
Get the car you love  
the smart and easy way



# Novated Leasing made easy

A Novated Lease is a three way agreement between you, Custom Fleet and your employer. You can potentially save 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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# 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.**



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

# How you can save with a Novated Lease

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

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

- Save by reducing your taxable income,
- Save GST on the upfront 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.

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## FLEET CARD & FUEL MANAGEMENT

Fleet Card is accepted at over 6,000 fuel outlets around Australia. Plus you might find savings when you purchase online.



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## ACCIDENT MANAGEMENT

Things can be a bit stressful after an accident, so Custom Fleet can help manage the repair process and costs. All you need to do is call our driver helpline and let us do the rest.



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## VEHICLE DISPOSALS

For an Operating Lease, you simply hand the vehicle back to us at the end of the lease, subject to the conditions of your package. For a Finance Lease, you can trade in or sell via our tender process.



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## BREAKDOWN ASSISTANCE

Our driver helpline is available 24/7 for drivers requiring roadside assistance.



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## REGISTRATION & INFRINGEMENT MANAGEMENT

The cost for registration is included in your lease, but unfortunately any fines you incur are not.



END OF LEASE



# Your choice of lease options



## 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 agree 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.

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

\* You agree upfront with Custom Fleet to guarantee the Residual Value of the vehicle. (The residual value is the amount you can buy the car for at the end of the lease, if you decide you want to purchase the car). 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.

†† Inclusion of Peace of Mind is dependent on your employer's Novated Policy.

^ 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 can also save you money.  
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 so check with your employer. This means you will not pay GST on the upfront car purchase price or running costs. GST will 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.

# 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.**



## **Monthly lease statements**

You'll receive a statement every month by email, and you can also download these online. Each statement shows budgeted versus actual expenses, and gives you a full list of vehicle transactions for the previous month – which could make your business expense claims a little easier.



## **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.

James wants to buy a Mazda CX-9 Sport, with a recommended price of \$47,040 including GST. His gross annual income is \$90,000 and he decides to take out a four year Novated Finance Lease with a residual value of \$17,302.12 inc GST.

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

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.

Save on  
the purchase  
price

Custom Fleet negotiates a \$2,960 discount with the dealer, and James doesn't have to pay GST on this price.	<b>\$47,040.00</b> - \$2,960.00 = \$44,080.00 - \$3,980.00 = <b>\$40,100.00</b>
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**James has already saved \$6,940** (and a lot of hassle with dealers) compared to the recommended drive away price.

Bundle up  
the running  
costs

James's monthly Novated Lease package includes:

Lease rental .....	\$803.03
Running Costs* .....	\$123.24
Fuel .....	\$171.00
Comprehensive insurance .....	\$132.22
<b>Total (Ex GST) .....</b>	<b>\$1,229.49</b>

Make a  
smart post-tax  
contribution

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

Pre-tax contribution .....	\$566.10
Post-tax contribution .....	\$663.39
GST on post-tax contribution .....	\$66.34

Bottom line  
tax savings

**James has just reduced his annual taxable income by \$6,794.**

This means he'll pay \$206.58 less in PAYG tax each month – adding up to \$2,478.96 a year for the four years of his lease.

\* Running Costs include – service, maintenance, tyres and ongoing registration

# 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?

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 – bundled into easy monthly payments. 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 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

### 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. Please ensure you check for any restrictions with your insurer.

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

You should receive your Fleet Card within 7-10 working days of your lease being activated. 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 [Customfleet.com.au](http://Customfleet.com.au)

### 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 with this pack.

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

Visit the merchant locator on the Driver Support page of [Customfleet.com.au](http://Customfleet.com.au) 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

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

You'll receive a monthly Lease Statement by email, which includes the balance of your package on a life-to-date basis.

### How do I manage my car registration?

Custom Fleet will arrange for the car to be registered and depending on the lease type, the mailing address will either be yours or Custom Fleet's. The cost of registration is included in your monthly lease payments.

### 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.

### 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 (Schedule 1 – Notice of Termination of Novation by Employer) form as soon as possible. The novated agreement with your employer will be terminated once you leave that company, and 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 contact you and 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. With finance leases, you may offer to purchase the vehicle for the residual amount, or we can sell it through our usual process. With an operating lease, you can just hand it back with the keys, and upgrade to a new car on a new lease.

## 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)

# 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**.

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