



***whip*smart**

NOVATED LEASE OVERVIEW



For Employee Novated Leases

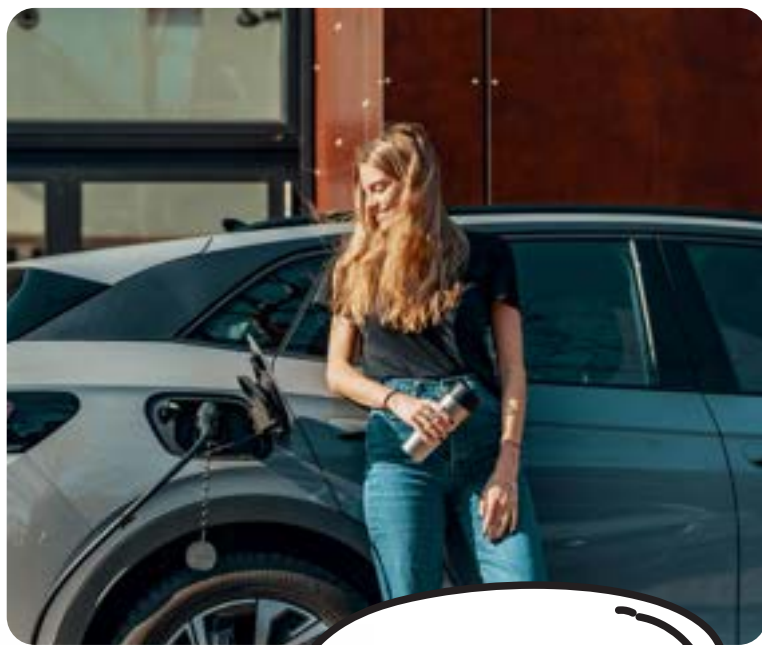
Why Choose WhipSmart?

WhipSmart stands out in the industry by offering simple novated lease options for businesses of all sizes.

We actively encourage electric vehicle leases, due to the FBT-exempt benefits associated, but have significant experience in ICE (combustion) vehicular leases.

First time considering novated leasing? We can help.

Read on for a basic overview of Novated Leasing.



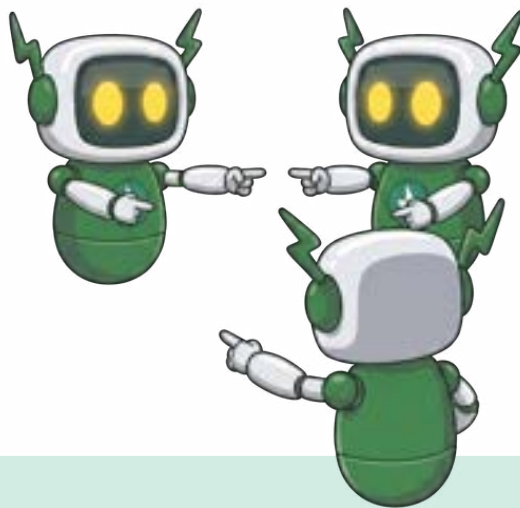
A classic
WhipSmart
driver.

Ready for a quote?

<https://whipsmart.au/>

How Does Novated Leasing Work?

A novated lease is an agreement between an **employee**, their **employer**, **WhipSmart** and a **finance company**. It involves the lease of a vehicle, with the employer making lease payments on behalf of the employee. Employees and employers are recommended to seek professional advice from an accountant before entering into a novated lease.



Pay Deduction and Invoicing:

Each pay period WhipSmart invoices the employer and direct debits the agreed amount of the lease including GST. The employer then applies a deduction to the pay template of the employee and deducts (pre-tax) the GST-free amount from the employer and claims the GST back. WhipSmart will provide a deduction schedule to equate the monthly invoice to a weekly or fortnightly pay cycle as required. If the vehicle is FBT-exempt such as an electric vehicle, then all deductions are taken pre-tax. If the vehicle is going to incur an FBT charge, then a certain portion of the deduction will be taken post-tax to compensate for the incurred fringe benefits tax.

How Does Novated Leasing Work?

I think a balloon payment means something else.



Residual (Balloon) calculation:

The residual, is stipulated by the ATO and dependent on the lease length:

- 1-year lease: min 65.63% of the car's initial value
- 2-year lease: min 56.25%
- 3-year lease: min 46.88%
- 4-year lease: min 37.50%
- 5-year lease: min 28.13%

*A high km reduction may be applied if driving more than 25,000km p.a.

Note on GST on Vehicle Purchase:

Vehicle is purchased with the GST discounted (the finance company pays the GST and claims it back). A novated lease reduces the GST of the car by up to \$6,334 (or unlimited GST reduction on utes).

How Does Novated Leasing Work?

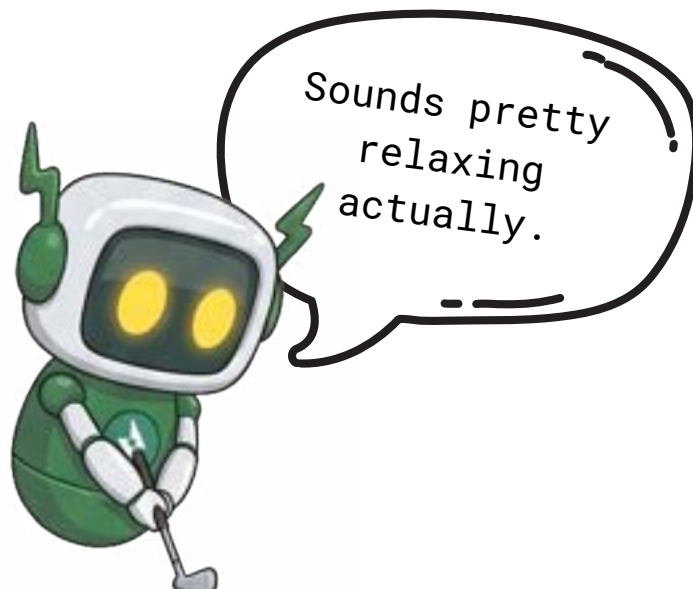
Inclusions:

A novated lease will include the lease finance component for the purchase of the vehicle, plus any other inclusions requested by the employer ie. Insurance, registration, fuel/electricity, tyres, maintenance etc. These items will be itemised in the monthly invoice and included in the deduction schedule.



FBT Reporting:

Employers provide an FBT report to the ATO for the fringe benefits tax (FBT) year (1 April to 31 March). The percentage of business use claimed for the vehicle reduces the FBT-owed. If the vehicle is FBT exempt, such as an electric vehicle, then no FBT will be due.



How Does Novated Leasing Work?

End of Employment:

If an employee ceases their employment, then the responsibility for lease payments is passed to the employee who can transfer the lease to a new employer, make payments directly in the interim if needed, refinance if required, or pay out the remaining lease payments early.



Conclusion of the Lease (Residual Option):

At the end of the lease the employee can choose to:

1. Sell or trade your car. If your sale price (incl GST) is more than the residual price, then you can retain the difference. If less, you pay the difference.
2. Re-lease the car and retain your tax benefits. The residual (ex GST) becomes the new vehicle price on which the new lease payments are calculated.
3. Keep your car by paying off the residual (incl GST).

*NB. If the residual is paid out, GST is applied. If re-leased GST is not applied.

What cars do you have available?

Our Top Selling Cars:



Zeekr 7X

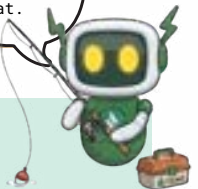
The Zeekr 7X Long Range AWD is a premium electric SUV that combines commanding performance, advanced technology, and all-weather versatility.

Tesla Model Y

The New Model Y Long Range All-Wheel Drive is the ultimate blend of power, efficiency, and versatility.



Get some good snapper in that.



BYD Sealion 7

The BYD Sealion 7 Premium is a striking blend of innovation, power, and refined comfort, designed for those who crave both luxury and efficiency.

Jaecoo J5

The Jaecoo J5 EV Summit represents a bold shift in the compact SUV market by blending premium aesthetics with unparalleled practical innovation.





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Ready to go?

Contact us today to learn more about vehicle solutions and how we can help your business save.

Call: (07) 2100 0123

Email: info@whipsmart.au

Visit: whipsmart.au

The **smarter** way
to own an EV.

