

Novated Leasing for Employees

The design of an effective salary package, which often includes a car, can have attractive tax and accounting benefits for both employer and employee.

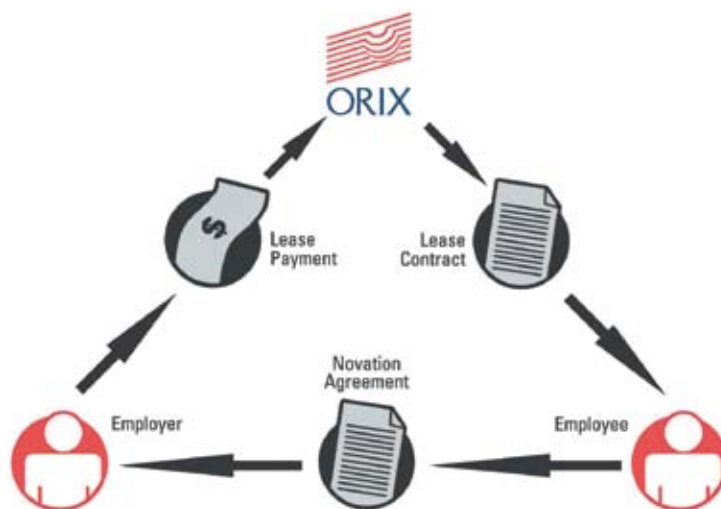
As an employee, you may find that an ORIX Novated Finance Lease or Novated Operating Lease is the best way to include the vehicle of your choice in your company package, helping you optimise your salary and the car you drive.

How does a Novated Lease work?

You choose the car you want and enter into a Finance Lease or Operating Lease with ORIX. You, your employer and ORIX then enter into a Full Novation Agreement under which your employer assumes all lease obligations and pays the lease rentals to ORIX (and maintenance and operating costs if included). Your employer also pays GST on the lease rentals, and provided your employer can claim an Input Tax Credit, the amount of the GST is not passed on to you.

If you leave the company before the lease expires, the Novation Agreement lapses, your employer's responsibility to make lease rental payments ceases and this responsibility becomes yours. You are then liable for the lease rental payments including GST and maintenance or operating costs if they have been included.

During the lease term, your employer is also responsible for the calculation and payment of Fringe Benefits Tax (FBT). It is important to understand how your employer manages its FBT liability.



ORIX Novated Leasing for Employees – at a glance

FEATURE	DRIVES YOUR BUSINESS VIA:
Salary Packaged Car Payments	<ul style="list-style-type: none"> • All or part of your monthly lease costs are paid from your gross salary to optimise your net income • Vehicle operating costs can be included in the monthly rental
Vehicle Choice	<ul style="list-style-type: none"> • Choose a vehicle that suits you and retain the vehicle if you change jobs
Flexibility	<ul style="list-style-type: none"> • A range of Lease and Fleet Management options are available to suit your needs • Access competitive rates on services, parts and repairs via our buying power
Complete Vehicle Management and Reporting	<ul style="list-style-type: none"> • Vehicle alerts and reports are available online to help you track operating costs and Fringe Benefits Tax • Expert ORIX Account Management team to ensure the smooth running of your lease

An ORIX Novated Lease is just one of the ways we can take you places. To find out more please speak to an ORIX fleet specialist on **1300 363 993** or email novated@orix.com.au

ORIX strongly recommends that you fully understand the workings of the Novated Lease. For further information please visit www.orix.com.au or contact the ORIX Novated Lease Centre on 1300 363 993. For tax and accounting related matters we recommend you seek independent advice from an accountant or taxation advisor.

This publication is produced by ORIX Australia Corporation Limited. It is intended to provide general information about our products and services, current at the time of printing but could change without notice. The contents do not constitute financial or taxation advice and should not be relied upon as such.

