



ASSOCIATE LEASE DO YOU OWN A CAR? YOU CAN BOOST YOUR FAMILY INCOME

Feeling left out in the cold? An associate lease is a cost-effective tax-saving method without having to re-finance your current vehicle.

An Associate Lease is a way of saving tax by salary packaging your running expenses on your existing vehicle. All of your car's operating expenses can be claimed under an Associate Lease, including your lease or loan if you have one, fuel and servicing costs, rego, insurance and even tyres and car detailing, with savings adding up to a typical \$2,500 pa per vehicle.

What is an Associate Lease?

An associate lease allows you to pay for your existing vehicle by using pre-tax dollars. Operating costs are paid using a fleet card (service, repairs, fuel), and a rental payment is made to your "associate" i.e. a family member. There is no age restriction on the vehicle, and you may be eligible even if your vehicle is still under finance – there is no need to change lender.

An associate lease is an agreement that allows your employer to deduct money from your salary to pay for your vehicle's running costs. It can help you access your money pre-tax, meaning you don't have to pay the pay-as-you-go [PAYG] on most of your vehicle expenses.

- You don't need a new car.
- Lease can be terminated at any time, with no "bubble payment" or break fees.
- You save money because your vehicle costs are paid from a portion of your pre-tax income.
- The vehicle is yours to use 100% of the time and there are no restrictions on who can drive it.



Affordable Fixed Payments

With a fully maintained associate lease, all the running costs of your car – including fuel, registration, servicing and parts – are incorporated into one monthly budgeted cost.



Cheaper Fuel

Save on fuel at thousands of petrol stations across. Save not only the GST, but also the PAYG tax on the fuel you buy.



No Deposit

There is no requirement for a deposit



No GST

With an associate lease, you don't pay GST. Save the 10% GST on any new car, plus the fuel, parts and servicing costs of any new, second-hand or existing car.

Who qualifies for an Associate Lease?

You may qualify if you are a permanent employee (or have a contract exceeding 12 months), based in Australia and you satisfy any criteria your employer sets up around eligibility, based on role or remuneration packages.

You will require an “associate” to receive the “car rent fee”. An associate can be a direct family member such as partner, child, parent or another direct relative.

What does an Associate Lease include?

All the running costs of your car are included in one monthly budget. This allows you to pay one consistent amount per month for the running costs of your car. Whatever is not spent at the end of the lease, is returned to you.

Some months, you will spend more and others you will spend less. Overall, your budget-to-actual expenditure should always be in surplus.

What vehicles qualify for an Associate Lease?

The vehicle must qualify as a ‘car’ for FBT purposes.

- The ATO defines the following types of vehicles (including four-wheel-drive vehicles) as cars:
- Motor cars, station wagons, panel vans and utilities;
- All other goods-carrying vehicles with a designed carrying capacity of less than one tonne;
- All other passenger-carrying vehicles with a designed carrying capacity of fewer than nine occupants.

Can I only do this through my Employer?

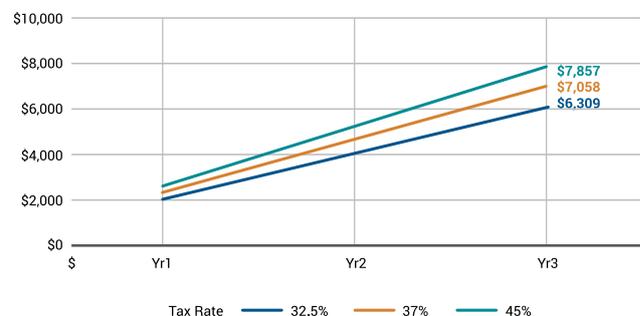
Yes. An Associate Lease requires a legal ‘salary sacrifice arrangement’ with your employer.

Using Pay@bility’s technology platform ensures that all information and transactions between parties complies to the ATO guidelines.

How much can I expect to save?

The higher your tax rate, the higher the amount of savings you can expect. This is because you pay 37c in each additional \$1 past \$90,000 and 45c in each \$1 past \$180,000.

Cumulative savings for a \$20k car across all three tax brackets



What does the lease term mean?

The lease term is very flexible and can be any period longer than 12 months with a 24-month rolling renewal being an optimal choice. Leases can be terminated with 6 weeks’ notice.

How do I go about securing these benefits from my employer?

Simply get your employer to contact Associate@bility and we can “set the wheels in motion.”

What happens at the end of the Associate Lease?

If the lease ends, you may renew it for a further term. The arrangement terminates when you leave your employment, sell the car, or you let the lease lapse. A lapsed lease means you lose the ongoing annual savings.

At termination, loan servicing (if any) passes back to the employee including the settlement of any operating account surplus (or deficit).