

Factsheet Information

Days Unavailable Fact Sheet for Clients with Novated Leases

Days Unavailable Fact Sheet for Clients \ with Novated Leases

In some instances you are able to reduce either the FBT payable on your vehicle or the amount of post tax dollars required to eliminate FBT, if your salary packaged vehicle is not available for your use during the FBT year.

You will need to check your employers policy on 'days unavailable' as some employers do not allow their employees to claim this benefit.

The instances where you may be able to claim 'days unavailable' include:

- You are going on a holiday and will not have the use of your vehicle while you are away. You park your vehicle on your employer's premises and hand the keys to your employer so that they have control of the vehicle. They must ensure that no-one uses the vehicle while you are away
- You have been involved in a car accident and your vehicle needs to go into a panel beaters shop for repairs

To claim days unavailable the vehicle must not be used by you or anyone else for a full 24 hour period.

As an example; you take your vehicle to the panel beaters on 1 July and pick it up on 21 July. As you had the use of the vehicle on 1 July and also 21 July, you could claim 19 days unavailable.

You will be able to let Selectus know how many days unavailable you have had during the FBT year by filling out the details in the 'Days Unavailable' area of the End of FBT Year Declaration which you complete online on 31 March every year.

Here's how it works

John has a salary packaged vehicle with the following criteria:

- Salary packaged vehicle with a \$35,000 base value
- Estimated travel of 20,000 kilometres per FBT year
- The total cost per FBT year to package his vehicle is \$17,000
- John packages post tax dollars of \$7,000 per annum to eliminate FBT
- John packages a further \$10,000 in pre tax dollars to cover his vehicle expenses to make the combined packaged amount of \$17,000

On 1 July, John and his wife go on an overseas holiday for 92 days and he leaves his vehicle and car keys with his employer for that period.

As John drives his car to the employer's premises on day one and picks his car up on day 92, he would have a total of 90 days that his packaged vehicle was unavailable to him.

Packaging Factsheet

To calculate how these days unavailable effect John's package, Selectus would use the following calculation:

A x B x C divided by D

- A =** base value of the vehicle
- B =** percentage used determined by the kilometres travelled (see table below)
- C =** number of days in the FBT year the vehicle was available
- D =** number of days in the FBT year

In this example the result would be:

$$\$35,000 \times 20\% \times 275 \text{ divided by } 365 = \$5,274$$

This means that John only needed to pay for \$5,274 in post tax dollars instead of the original \$7,000 to eliminate FBT. He can now pay the balance of the \$17,000 annual vehicle costs (\$11,726) in pre tax dollars, meaning he will have a higher after tax benefit in that FBT year.

For those employees who pay FBT and do not use post tax dollars, this would result in them paying a lower FBT amount in that FBT year, giving them a greater after tax benefit.

Days Unavailable do not reduce the number of kilometres that need to be travelled in an FBT year

When you claim days unavailable, they do not reduce the number of kilometres you need to travel in an FBT year.

Example: Alice estimates that she will travel 17,000 kilometres in an FBT year (15,000 to 24,999 kilometre bracket). She decides to take 2 months annual leave for an overseas holiday.

Even though Alice will not have the use of her salary packaged vehicle for the 2 months she is away, she will still have to travel over 15,000 kilometres in that FBT year to stay in the same kilometre bracket or she may create an FBT liability.

Instances when you can't claim Days Unavailable

There are a number of instances where the ATO do not allow you to claim days unavailable; these include:

- When the vehicle is left at home or with a friend whilst you're on holidays
- When the vehicle is in for a service
- When the vehicle is left at a commercial car park

Packaging Factsheet

Below is a table showing percentages used based on kilometres travelled

Distance Travelled in FBT Year	Pre May 10 2011 contracts	New Contracts entered into after 7.30pm 10 May 2011			
		From 10 May 2011	From 1 April 2012	From 1 April 2013	From 1 April 2014
0-15,000 kms	26%	20%	20%	20%	20%
15,000 - 24,999 kms	20%	20%	20%	20%	20%
25,000 - 40,000 kms	11%	14%	17%	20%	20%
» 40,000 kms	07%	10%	13%	17%	20%

Please contact Selectus on **1300 651 117** should you require any further information.