

Factsheet Information

Termination of Novated Lease Fact Sheet

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Terminating a Novated Lease

There are 2 instances where you may need to terminate or change your existing novated lease;

- (1) Your current novated lease is expiring
- (2) You are leaving your employer

We are going to look at what you need to do for each of these options.

Selectus can provide you with advice on which are the most tax effective options for you to take. To speak to the Selectus Customer Service Team please call 1300 651 117.

Your current novated lease is expiring

You have 3 options when your novated lease finishes. They are:

1. Sell your existing car and salary package your new car.

Normally you would pay out the outstanding residual value owing on your current vehicle from the sale of your vehicle and keep any amount left over. You would then salary package your new vehicle and continue to receive the tax benefits by paying for your motor vehicle expenses tax free!

You can sell your existing vehicle via trading in your vehicle, selling your vehicle privately, or selling your vehicle at a motor vehicle auction such as Pickles Auctions. We have attached information on Pickles Auctions at the back of this fact sheet.

Should your vehicle not be sold at the time the residual becomes payable you will need to arrange finance in order to pay the residual owing to the vehicle finance company.

2. Re-finance your existing motor vehicle.

If you would like to keep your existing vehicle, you may be able to release the vehicle, depending on its age at the time of release. Vehicles can only be released up to eight years of age at the end of the lease period.

Selectus would arrange for your vehicle to be financed under a new finance lease. The financed amount would be equivalent to the amount of the residual of your existing loan.

You would continue to salary package your motor vehicle expenses and receive the ongoing taxation benefits that you received in your previous novated leasing arrangements.

Payout the residual amount to the finance company and own the car.

You are able to payout the amount of the residual, plus GST, to the finance company and own your packaged vehicle outright.

Usually only those employees who are leaving the workforce or those that are looking to give the car to a family member would consider this option, as you would no longer be salary packaging and would pay for all of the running costs from after tax dollars, rather than pre tax dollars when salary packaging.

Selectus will send you an email 3 months out from your lease end to remind you that your lease is about to expire. We will also contact you directly to discuss the above options and to answer any questions you may have.

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You are leaving your employer

There are normally 2 instances when this may occur;

- (a) You are leaving your employer and no longer wish to salary package your vehicle or
- (b) You are leaving your employer and wish to transfer your existing novated lease to your new employer

You are leaving your employer and wish to cease salary packaging

To terminate your salary packaging arrangements you will need to do the following:

- Contact Selectus ASAP and give them the date you are leaving your employer
- Provide Selectus with the odometer reading of your vehicle on the last day with your employer
- Contact your leasing finance company to arrange for the payout of your finance or to continue lease payments from your own bank account

Selectus will need to conduct a full reconciliation of your salary packaging account within 4 to 6 weeks of you leaving your existing employer. If there is an account balance left in your Selectus account after all vehicle costs have been paid, then Selectus will refund this amount to your employer who will then pay this to you as taxable income.

If you do not have enough in your Selectus account balance to pay out all outstanding vehicle costs, then Selectus will request a payment from your employer to cover these costs. Your employer will deduct this amount from your salary prior to you leaving them.

If the reconciliation cannot be completed until after you leave your employer and there is an amount outstanding, Selectus will request payment directly from you.

You are leaving your employer and wish to continue salary packaging your vehicle with your new employer

If your new employer is also a client of Selectus, you will need to do the following:

- Contact Selectus ASAP and give them the date you are leaving your employer
- Provide Selectus with the odometer reading of your vehicle on the last day with your employer
- Contact your leasing company to arrange for them to send you a new 'Deed of Novation' made out in the name of your new employer. You and your new employer will need to sign this document and return it to the finance company. You will need to provide a copy of the new signed Deed of Novation to Selectus so that your novated lease can be transferred to your new employer
- Your existing novated leasing arrangements will remain as they are
- When you start with your new employer, you can use the market value of your novated lease at that time as the new FBT Value, This will further increase the net benefit of salary packaging your vehicle.

If you have set up your novated lease with Selectus Fleet, you will be able to continue with your existing arrangements, even though Selectus will no longer be your salary packaging administrator.

Selectus Fleet will continue to be your Fleet Manager. Your new employer will deduct the existing amount you are currently paying to Selectus and forward this amount to your new salary packaging provider. They will then forward this amount to Selectus Fleet who will make the payments for your finance and operating costs.

In actual fact the only difference you will see when you move to your new employer will be the change to your new salary packaging administrator. Your leasing arrangements will stay the same as they always have.

Please contact Selectus as soon as you are aware that you wish to change any of your existing novated leasing arrangements by calling 1300 651 117.



Lease End Car Sales - Made So Easy



Benefits we provide:

- Drive your car to lease end
- Predetermined sight unseen vehicle estimates and reserves
- Pickles payout the financier on your behalf
- National service (20 plus branches Australia wide)

How will my car sell?

- Pickles sell on consignment ensuring you benefit from higher than expected prices
- Weekly Government, Fleet and Prestige vehicle sales conducted
- Roadworthy approved vehicles offered at a higher Fixed Price using multiple websites
- Private buyers and dealers are targeted
- All cars are professionally detailed before sale

Where do I start?

1. Visit www.picklesnovated.com.au/selectus
2. Download Pickles vehicle assessment form
3. Email completed form to novated@pickles.com.au
4. Pickles staff will call you to advise our estimates
5. Deliver the vehicle to Pickles when your new car is received or no longer required
6. The Pickles Novated team will take care of the rest...

Say goodbye to....

Unsavory buyers coming to your house – Low value dealer trade-ins – Wasted weekends selling your car privately

2008 Toyota Prado
Diesel GXL 55,000km
Finance Owing \$27,700

SOLD for \$47,500



2008 Hyundai i30 FD
SX Diesel 47,000km
Finance Owing \$10,600

SOLD for \$15,000



2008 Subaru Liberty
Wagon 48,000km
Finance Owing \$16,650

SOLD for \$22,000



2008 Land Rover Range Rover
Sport TdV6 47,000 km
Finance Owing \$54,000

SOLD for \$69,000

