

Your guide to a novated lease with Flare



Contents

- 1 What is a novated lease?
- 2 Understanding the benefits of a novated lease
- 3 How does a novated lease work?
- 4 How much could you save?
- 5 How does the process work?
- 6 What makes Flare different?
- 7 Is a novated lease right for me?



Get the car you want now, for less

If you're thinking about buying a new or used car, you may be considering different finance options like drawing down on your mortgage or taking out a personal loan. However, did you know that a novated lease is another way that you could get the car you want now, and pay less on your vehicle price and ongoing running costs?

This guide will step you through the ins and outs of a novated lease so you can weigh up whether it is right for you.

What is a novated lease?

Cars are one of our biggest household expenses, yet many of us haven't been exposed to the huge savings advantages that a novated lease can offer. It's one of the cheapest ways to own and run your car.

A novated lease is a cost-effective car financing option. With a Flare novated lease, you can get the car you want now with no deposit, just a refundable order fee, and bundle up all your vehicle finance and running costs like fuel and maintenance into one convenient payment. By doing this, you could make significant savings on the purchase price, your income tax, and GST too.



Novated leases save time and money

Understanding the benefits of a novated lease



Get the car you want, now

Secure the car you want today. We'll help you get into your new car quickly by sourcing your vehicle, organising a test-drive, helping you buy it, and arranging delivery.



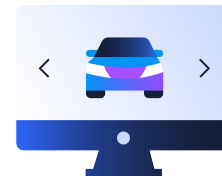
Save on tax and car running costs

By salary packaging your car with a Flare novated lease, you could enjoy significant tax savings as well as GST savings on your car purchase, fuel, tyres, servicing and maintenance.



Get better vehicle pricing

You benefit from Flare's buying power. Our team of car experts do the hard work to negotiate on your behalf and secure great deals in our fleet network for both new and used cars.



Lease a new, used or existing car

You aren't limited to a new car with a novated lease, you can get almost any car of choice as long as it is considered a car for fringe benefits purposes* — new or used. You can even lease your existing car if it is less than 12 years of age at the end of the lease.

“

I'd recommend Flare to friends or colleagues. For me, the whole novated lease process was simpler and more convenient than the traditional car buying experience, and the Flare folks basically held my hand through the whole thing. They got me the car I wanted delivered to my door, and I can use pre-tax dollars to pay for it which reduces my taxable income.

Alexandra Myers
Veterinarian Pathologist,
QLD



*For fringe benefits tax (FBT) purposes, a car is any of the following:

- a sedan or station wagon
- any other goods-carrying vehicle with a carrying capacity of less than one tonne, such as a panel van or utility (including four-wheel drive vehicles)
- any other passenger-carrying vehicle designed to carry fewer than nine passengers

Novated leases are easy and convenient



Easier budget management

Avoid hidden expenses and spread your bills across the year by bundling up your finance and running costs into convenient monthly payments. You'll know exactly how much you are paying for your car each month.



Everything's included

You benefit from before-tax savings on most of the running costs of your vehicle, so you have nothing left to worry about. This includes fuel, service and maintenance, rego and CTP, and insurance.



Your own Flare car concierge

Your dedicated car concierge will help you get into the car you're after, providing support and expertise along the way. We'll help find you the right deal and organise a novated lease that works for your needs and budget



You're covered with the Flare Fuel and Maintenance Card

With a novated lease, your fuel cost is spread across the year and a portion is paid out of your before-tax salary to save on income tax. You'll receive a Flare Fuel and Maintenance Card which is accepted at 95% of outlets, so all you need to do is tap it for fuel and maintenance and everything is taken care of.



It was a very simple process. I didn't have to meet anybody, it was all handled remotely, it was just emails and a DocuSign electronic signature on a contract. So very simple. Since I've actually taken my car for work, it's enabling me to get a lot more flexibility

Neil Creasey
Executive Enterprise Agile Leader,
VIC

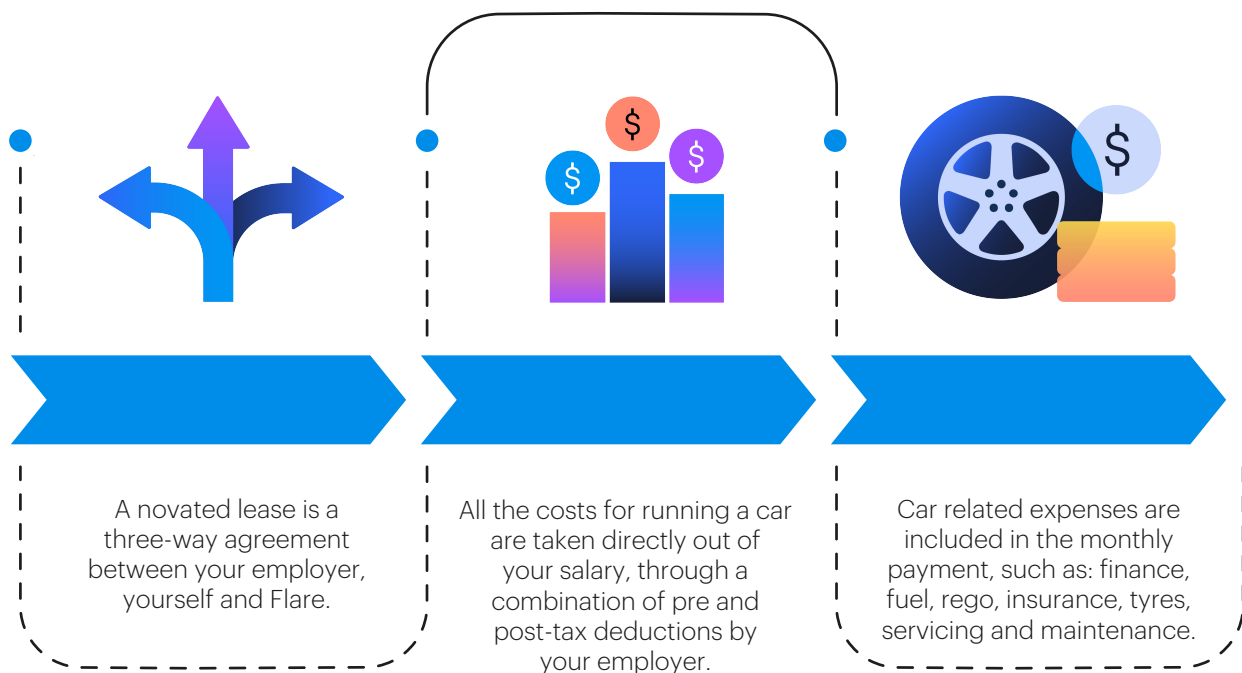


How does a novated lease work?

A novated lease is an arrangement between you, your employer and a financier for a period of time, between one to five years. You can still leave your employer during that time. If you do, you have the options to pay your car off, pay the financier directly or alternatively, you may be able to take the lease with you subject to your new employer's approval.

Your employer makes before-and-after-tax deductions (known as salary sacrificing) to pay for your car and running costs, helping to save money on tax.

When you decide on a novated lease with Flare, we'll arrange everything for you from identifying and sourcing the car at a great price through our network, helping you apply for finance, to buying your car and having it delivered. We'll manage the arrangement with you and your employer. It's that easy.



What happens at the end of my lease?

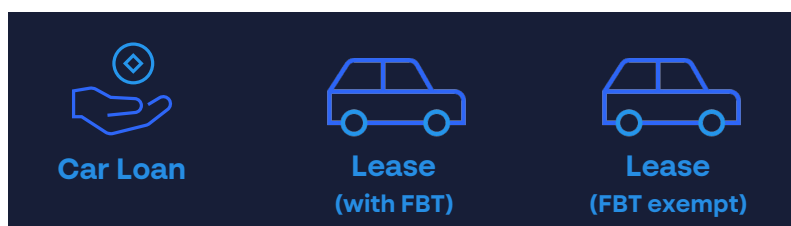
You don't pay the car off in full over the term of the lease as there must be a 'residual value' amount left over at the end of the lease period. The amount unpaid is owed at the end of the lease. This is determined using a methodology set out by the Australian Tax Office. When you come to the end of your lease, you have plenty of options:

- + **Trade-up** your car and upgrade with a new lease
- + **Re-lease** your car and pay the residual amount
- + **Payout** the residual amount and own the car outright
- + **Sell the car** and use proceeds to pay the residual amount





Pri earns \$95,000 a year and is looking for a Tesla to take her son to school every day and to visit family in the Blue Mountains. The car is valued at \$73,389, and she expects to travel 15,000km a year.



Vehicle price ²	\$73,389	\$73,389	\$73,389
GST saving on purchase price	\$0	\$5,885	\$5,885
Monthly payment (incl' running costs ³)	\$1,933	\$1,813	\$1,813
Monthly tax and GST savings	\$0	\$223	\$710
Net cost per month	\$1,933	\$1,590	\$1,103
Total cost over 48 months (excl' residual payment ¹)	\$92,784	\$76,320	\$52,944
Saving over 48 months	\$0	\$16,464	\$39,840



¹ The residual cost for this model comes to \$27,845, based on a balloon payment of 37.5%

² Pricing based on the drive-away cost of a Tesla Model Y in NSW.

³ Monthly running costs include fuel, maintenance, insurance and servicing.

The above comparison is indicative and of a general nature only, and we have not taken your personal financial objectives, situation or needs into account. We recommend you consider if you need to seek professional financial advice before making any financial decisions regarding Flare Cars.

All calculations are based on the following assumptions: living in NSW, salary: \$95,000 gross p.a., travelling 15,000 kms p.a., finance/lease term: 48 months. Figure quoted include budgets for finance, fuel, servicing, tyres, maintenance, comprehensive insurance, registration and CTP.

Novated lease calculations: use Net GST processing method and Employee Contribution Method for FBT purposes; the total cost over life reflects the net effect after tax and includes a Flare cars admin fee; Interest rate quoted for novated lease is 5.78% p.a. vs 7.49% p.a. for a car loan. Cash cost per month based on capital cost of the car divided by 48 months and does not factor in loss of interest. Comprehensive Insurance estimate based on 2.5% of the purchase price of the car.

In the market for an electric vehicle or a plug-in hybrid?

Our car experts can help you benefit from the significant saving advantages of a novated lease while you help the planet.

When you go electric, you'll save on fuel and maintenance compared to an internal combustion engine vehicle.

These savings could be amplified even more with a novated lease.

Eligible electric vehicles and plug-in hybrids are now exempt from the 47% fringe benefits tax - only if provided through a novated lease.

The vehicle must be at first sale less than the luxury car tax threshold for fuel-efficient vehicles which is \$89,332 as of the 3rd of August 2023.

While vehicles are exempt from paying FBT, there will be reportable fringe benefits for employees.





How does the process work?

1

Initial quote and test drive

The first step is to [activate benefits](#) within your MYOB account. Flare can assess your current situation and run an initial obligation-free quote on the car you want, organise test drives for you or even recommend other comparable models if your first choice is impacted by global supply delay.

2

Finance

Once you're comfortable to proceed, the next step is to get credit approved. We'll take you through the digital application process and check your finance serviceability.

3

Vehicle sourcing and settlement

We'll help you source a vehicle from our fleet of nationwide network dealers.

We can access an increased supply of vehicles and negotiate driveaway price on your behalf. Upon signing a finalised quote, we'll work with your employer to sort out the logistics of your lease deductions.

4

Your lease starts

Congratulations, you've got your new car. We'll provide you with a Flare Fuel Card to pay for fuel, servicing, tyres and some other running costs.

For expenses where the card can't be used, you submit a claim for reimbursement via the online driver portal.



Is a novated lease right for me?



Can I get a novated lease?

If your employer offers a novated lease arrangement, you may be able to get one. Flare can help, use our steps to discuss salary packaging with your employer on the next page to help them understand the benefits.

Can I benefit from the savings?

Our leases are typically offered for periods of one to five years and we pride ourselves on the flexibility and customisation we can offer.

How much are the monthly payments?

It's important to make sure that the payments are affordable and within your budget. Our friendly team can help you assess your options and make the right decision.

Our novated leases include all of the running costs associated with the car, such as fuel and insurance, bundled within set-and-forget deductions.



Help your employer understand the benefits

If your employer does not offer novated leases, you could help them to benefit your entire workforce and the business itself. Our team is well equipped to talk to your employer and take them through the below benefits of offering novated leasing and getting you set up.

No cost to your business

There are no start-up costs or ongoing fees.

Minimise payroll tax

By salary sacrificing their car, your employee's taxable income is reduced which may reduce your company tax, so everybody benefits.

Boost employee's salaries, at no cost

The cost-of-living is going up, and cars are one of Australia's biggest household expenses. Car salary packaging gives you a meaningful and impactful way to help your employees save money.

Keep your employees for longer

It's hard to find good people, and when you do, you want to hold on to them. Salary packaging is a great incentive to keep your employees feeling valued.

Setup takes just ten minutes

If you have never offered a novated lease before, Flare will help you understand it, set it up, and promote it within your business. We make it simple and easy.

There is no admin burden

Our dedicated team will manage the lease from start to finish directly with your employee, and provide any support they need along the way.

Fits in with your payroll

You don't need to adjust your payroll cycles. We offer the flexibility to tailor salary deductions and invoicing with direct debt to suit your business needs. It's low-touch to administer with 'set and forget' salary deductions.

Flare can discuss the benefits of novated leases with your employer for you. Just [activate benefits](#) within your MYOB account to get started.



What makes Flare different?



A paperless, digital process

Our fully digital novated lease process is completely paperless from start to finish, making it faster, easier, and better for you and the environment.



A convenient, smooth experience

You'll be supported by a Flare cars concierge. We'll manage every step of the process, from helping you identify a car, to sourcing a new one, and having it delivered straight to your door. Everything is done digitally so there is no onerous paperwork.



Experts in electric vehicles

Our Flare car experts have an extensive understanding of all cars, including electric vehicles and plug-in hybrids. We help you keep across the latest EV and plug-in hybrids to get the right car for you.



Meet your Flare car concierge

At Flare, we have an Australian-based team of car experts dedicated to providing support to our customers. They're here to save you time and money.

All our experts have lengthy experience in the industry and know cars inside and out. They can provide expertise, and guidance, and step you through the car salary packaging process to find, test-drive and buy the right car for your needs and budget.



Frequently asked questions



Can I exit my lease during my term?

If you decide to change employers, you have a couple of options. You aren't tied to your job because you have taken up a novated lease, as they are transferable. You can arrange the lease with your new employer, pay the financier directly, or choose to pay off your lease. Your Flare car concierge can explain the options and provide assistance.

Is novated leasing only beneficial if I drive high kilometres per year?

This is no longer the case. The Federal Government changed legislation a few years back which made the benefit of leasing universal regardless of kilometres driven. So, it doesn't matter if you're doing 5000kms per year or 25000kms, you will still save money. The only thing kilometres impact are your running cost budgets for fuel, servicing and so on.



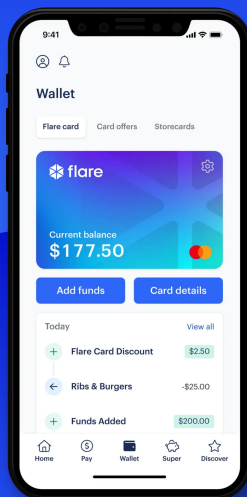
What if my car's actual running costs are different to what Flare has budgeted?

Flare will try and make sure that your budgets are as accurate as possible however, if your expenditure exceeds what we are taking in budgets - we will contact you about increasing your deductions. Also, if we are taking too much and your actual running costs are less than what we have budgeted then we can look at reducing your budgets.



Flare Benefits and Flare App

Now, you can easily [activate Flare Benefits](#) within your MYOB account. Once activated, you'll get access to benefits on the go using the Flare app, available on both Apple and Android devices.

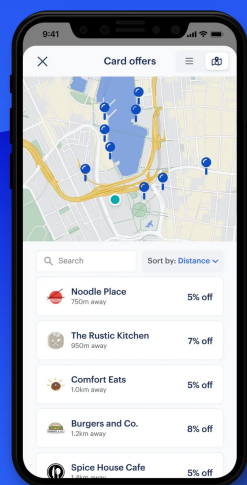


Everyday savings add up

Discounts at your fingertips

You can access savings with hundreds of well-known brands.

- ✓ Transfer money into your Flare card and tap to enjoy real time discounts

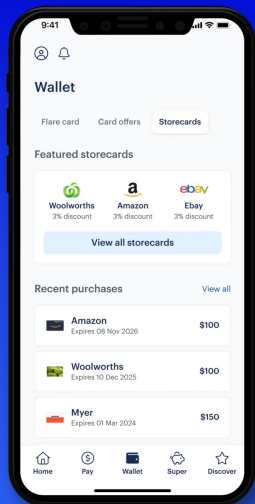


Find local discounts

Use our tool to see where you can save

- ✓ Over 9,000 participating outlets across Australia





Shop smart with storecards

Get deals with leading
retailers through our collection
of storecard discounts

- ✓ Manage your storecards within the app, from redeeming to checking your balance



Enjoy premium perks

Big perks with big names

Access exclusive deals available in
the app

- ✓ Premium perks on everything from healthcare to mobile plans

The Flare Mastercard is issued by EML Payment Solutions Limited ABN 30 131 436 532 AFSL 404131. Consider if the card is right for you. Read the PDS and TMD for more information. Mastercard and the circles design are registered trademarks of Mastercard International Incorporated.



Activate Flare Benefits within your MYOB account today to get started

[Learn More](#)



The content in this brochure is indicative and of a general nature only, and we have not taken your personal financial objectives, situation or needs into account. We recommend you consider if you need to seek professional financial advice before making any financial decisions regarding Flare Cars.