

Electric vehicles are now tax free !

Give your employees a \$6,482 pay rise at no cost!
No GST, No tax, and No FBT on all EV's under \$84,916!

What's in the new legislation?

The Australian government is trying to increase the take-up rate of electric vehicles (EV's) by making them more affordable. To do this the Government has changed the Tax Act to make EVs, under \$84,916, 100% FBT exempt.

What does this mean and how does it compare to Salary Packaging a petrol vehicle?

Employees can now salary package any EV under \$84,916 including the lease (finance), charging, insurance, registration, tyres and servicing **before tax**, which means they pay **no tax & no GST**.

Prior to this legislation if an employee was to salary package a car, the car would attract FBT (20% of the vehicle value excluding on road costs). The new legislation makes all EV's up to \$84,916, FBT exempt, which allows employees can pay for the lease and all running costs **pre-tax**.

We've teamed up with Vehicle Solutions to offer you a FREE Novated Leasing Service!

If you haven't offered Novated Leasing before, now is the time!

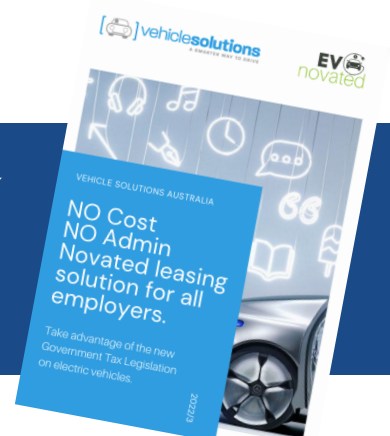
NO COST! NO ADMINISTRATION! FREE Salary Packaging Service to all Employers.

If you haven't offered Novated Leasing to your employees, this new legislation now makes it essential. On the next page we provide the numbers that show the difference this legislation makes to an employee on \$80,000 wanting to purchase a \$45,000 vehicle.

In summary, a Novated Lease on a \$45,000 EV will save the employee more than \$32,000 in tax over a 5 year lease, costing only \$166 a week to run the vehicle. This is life changing for most employees who currently pay half this in fuel alone.

Included with this update is an "Employer Information Pack" with detailed information on our partner Vehicle Solutions Australia.

For more information on setting up this staff benefit please feel free to contact us on (08) 8348 1000 or info@acceleratefinancial.com.au



What do the numbers look like?

Medium petrol SUV on a car loan **vs**
Medium electric SUV on a Novated Lease.

Vehicle Value \$45,000 medium size Petrol SUV.
5 Year Car Loan at 5%
Employee Salary \$80,000
15,000kms per year for all running costs
No Residual Value

Finance	\$10,308.00
Fuel (Av. 8litres/100kms)	\$2,160 (\$1.80/L)
Tyres	\$380
Servicing	\$395
Registration Renewal	\$690
Insurance Renewal	\$1,000
Total (Inc GST)	\$14,933.00

Vehicle Value \$45,000 medium size Electric SUV.
5 Year Novated Lease
Employee Salary \$80,000
15,000kms per year for all running costs
Residual Value - \$11,734.00

Lease (Inc GST)	\$9,632.00
Charging Allocation	\$1000 (\$40c/kW)
Tyres	\$380
Servicing	\$395
Registration Renewal	\$690
Insurance Renewal	\$1,200
Total (Inc GST)	\$13,297.00

Employee pays this total in After Tax income!

Annual Numbers	
Gross Salary	\$80,000.00
Pre-tax Deduction	\$0.00
Tax Payable	\$18,104.00
Net Pay	\$61,896.00
Cost of the Car	\$14,933.00

Net Pay \$46,963.00

Saves the employee \$0.00 in tax and GST

Employee pays the GST Exclusive total before tax!

Annual Numbers	
Gross Salary	\$80,000.00
Pre-tax Deduction	\$12,902.00 (*NO GST)
<small>*The employer pays and claims GST</small>	
Tax Payable	\$13,653.00
Post Tax Deduction (FBT)	\$0.00

Net Pay \$53,445.00

**Saves the employee \$6,482 in tax and GST every year.
That's \$32,410 over 5 years.**

That's a \$6,482 pay rise every year!

The government's legislation is aiming to make electric vehicle ownership as affordable as possible. The above example will only cost the employee \$156 per week after the tax savings.

Please share the attached eDM with employees.

The attached employee update provides the same information and example of what they can achieve by moving to an electric vehicle. We can assist all employees in the entire process from sourcing vehicles at fleet pricing, selling their current vehicle, through to establishing and managing the new novated lease.

For more information please call
(08) 8348 1000 or visit acceleratefinancial.com.au

