

Selectus Novated Lease Days Unavailable

If your salary packaged vehicle is not available for your use during the FBT year in some instances you can reduce either the FBT payable or the amount of post-tax dollars required to eliminate FBT.

First check your employer's policy on 'Days Unavailable' as some employers do not allow employees to claim this benefit.

Acceptable days unavailable claims

Examples include:

- You are going on holiday and will not have use of the vehicle while away. You park the vehicle on your employer's premises and hand the keys to your employer so that they have control of the vehicle and ensure that the vehicle is not used while you are away.
- Your vehicle has been involved in a car accident and needs to go in to a panel beater for repairs.

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

For example:

The vehicle is taken to the panel beater on 1 July and picked up on 21 July. As you had use of the vehicle on 1 and 21 July you can claim 19 days unavailable.

To advise Selectus how many days unavailable you have had during the FBT year you are required to complete the "Days Unavailable" section of the End of FBT Year Declaration you complete online on 31 March each year.

Example:

A salary packaged vehicle with the following criteria:

Base Value	\$35,000
Flat Statutory Formula	20%
Total package cost per FBT year	\$17,000
Post-tax per year to eliminate FBT	\$7,000
Pre-tax per year for vehicle expenses	\$10,000

On 1 July employee goes on an overseas holiday for 92 days and the vehicle and keys are left with the employer for the whole period. The car is unavailable for 90 days – employee drove to the employer on day 1 and picked the vehicle up on day 92.

Calculation

$$A \times B \times C$$

D

A	Base Value	\$35,000
B	Flat Statutory Formula	20%
C	Number of days available (365-90)	275
D	Number of days in the FBT Year	365

$$\$35,000 \times 20\% \times 275$$

365

=

\$5,274

This means that instead of the original \$7,000 only \$5,274 is needed in post-tax dollars to eliminate FBT. The balance of the \$17,000 annual vehicle costs (\$11,726) can be paid in pre-tax dollars and there will be a higher after tax benefit in that FBT year.

Unacceptable days unavailable claims

Examples include:

- You are going on holiday and the vehicle is left at home or with a friend.
- When the vehicle is in for a service.
- When the vehicle is left at a commercial car park.

Days unavailable claims do not reduce kilometres you need to travel in an FBT year (for novated leases that have a nominated number of kilometres to be travelled).

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