



# Salary packaging motor vehicle charges 2019-2020

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# Table of Contents

<b>1.</b>	<b>APPENDIX 1</b>	<b>2</b>
<b>1.1</b>	<b>Charges for executive and non-executive motor vehicle packages</b>	<b>2</b>
<b>2.</b>	<b>APPENDIX 2</b>	<b>4</b>
<b>2.1</b>	<b>Notes on motor vehicle packages 2019–2020</b>	<b>4</b>
	2.1.1 Pre 10 May 2011 and Post 10 May 2011 Packages	4
	2.1.2 Lease Fee	4
	2.1.3 Parking Space Levy	4
<b>2.2</b>	<b>Additional Information</b>	<b>5</b>
	2.2.1 Reconciliation	5
	2.2.2 Reportable Fringe Benefits	5
	2.2.3 Pooled Car Benefit	5
<b>3.</b>	<b>APPENDIX 3</b>	<b>6</b>
<b>3.1</b>	<b>Components in calculating a package</b>	<b>6</b>
	3.1.1 Purchase Price and FBT	6
	3.1.2 Lease Payments	6
	3.1.3 Running Costs	6
	3.1.4 Standing Costs	6
	3.1.5 Taxation	7
	3.1.6 Reconciliation Calculation	7
<b>4.</b>	<b>APPENDIX 4</b>	<b>8</b>
<b>4.1</b>	<b>Motor Vehicle Salary Sacrifice Package Calculator</b>	<b>8</b>

# 1. APPENDIX 1

## 1.1 Charges for executive and non-executive motor vehicle packages

Lease Costs			
<b>Purchase price of vehicle</b>	cost of vehicle including GST and all accessories for business or private use.		
<b>Lease payment</b>	payment payable each month in respect of the vehicle lease (or calculated lease payment in respect of agency owned vehicles).		
Running Costs (fuel, tyres, servicing and repairs)			
Vehicle Category	Item	Cost (cents per km)	Comment/Example
<b>Passenger</b>	Hybrid	11.3	Toyota Prius, Toyota Corolla Hybrid, Toyota Camry Hybrid
	Light	15.4	Toyota Yaris, Ford Fiesta, Kia Rio
	Small	15.1	Toyota Corolla, Kia Cerato
	Medium	14.8	Toyota Camry, Ford Mondeo, Skoda Octavia
	Large	19.6	Holden Commodore
	People Mover	20.8	Kia Carnival, Toyota Tarago, Hyundai Imax
<b>Sports Utility Vehicle</b>	Small	20.6	Nissan Qashqai, Hyundai Kona, Holden Trax
	Medium	17.7	Toyota Rav 4, Mitsubishi Outlander, Kia Sportage
	Large	19.9	Kia Sorento, Toyota Kluger, Ford Everest
	Upper Large	23.6	Toyota Landcruiser, Nissan Pathfinder
<b>Commercial</b>	Crew / Dual Cab / Utility	22.2	Toyota Hilux, Mitsubishi Triton, Holden Commodore
Standing Costs			
Element	Item	Cost	Comment/Example
<b>Comprehensive Insurance (inc GST)</b>	Passenger	\$782	Hybrid, Light, Small, Medium, Large, People Mover
	SUV/Commercial	\$587	SUV Small, Medium, Large, Upper Large, Commercial Crew Cab, Dual Cab and Utility

Element	Item	Cost	Comment/Example
<b>Compulsory Third-Party Insurance</b> (inc GST)	Sydney	\$340	Greater metropolitan area
	Wollongong	\$300	Greater metropolitan area
	Newcastle/Central Coast	\$260	Greater metropolitan area
	Country	\$295	Regional areas
<b>Registration Fee including Tare Weight Tax</b> (ex GST)	Up to 975kg	416	Toyota Yaris, Kia Rio S
	976 – 1154kg	464	Hyundai i30, Kia Cerato
	1155 – 1504kg	548	Toyota Camry, Hyundai, Holden Mondeo
	1505 – 2504kg	792	Holden Commodore, Ford Falcon, Toyota Aurion, Toyota Landcruiser
<b>NRMA membership</b> (inc GST)	Annual fee	45	Per vehicle
<b>Taxation</b>			
Element	Item	Cost	Comment/Example
<b>Parking Space Levy Estimate</b> <i>Users should update when rates issued by OSR on 1<sup>st</sup> July each year</i>	Category 1	\$2490	Sydney, North Sydney, Milsons Point
	Category 2	\$890	Parramatta, Chatswood, Bondi Junction, St Leonards
<b>FBT Factors</b>	Gross up factor	1.8868	
	Top tax rate	47%	
<b>Statutory Factor</b>	No km limit	20% (0.20)	<i>For packages established after 10 May 2011 at 7:30pm.</i>

## 2. APPENDIX 2

### 2.1 Notes on motor vehicle packages 2019–2020

#### 2.1.1 Pre 10 May 2011 and Post 10 May 2011 Packages

In 2011 the Federal Government changed the FBT legislation. Where a package existed before 10 May 2011 at 7.30pm, the old statutory formula rates will be applied until the lease terminates or changes are made to the lease that constitute a new 'commitment'. As there are now so few packages using these rates, this section has been removed. See previous circular for details. (DFS-C2014-2)

The flat rate of 20% applies to all new 'commitments' to provide a car.

#### 2.1.2 Lease Fee

A lease fee including GST must be included in the calculation of a package for both leased and agency owned vehicles. This is because there is a cost to the agency for that vehicle even when it is owned. No package is to be calculated with a minimal or agency determined lease fee.

For agency owned vehicles, contact your Fleet Management Provider to obtain a lease fee for an equivalent make/model and term based on kilometres to be travelled annually, this will ensure that charges remain consistent across NSW Government.

#### 2.1.3 Parking Space Levy

The Parking Space Levy is a charge on non-residential parking spaces within business districts specified in the Parking Space Levy Act 2009. The Parking Space Levy is not the cost of the parking space, but a levy on parking spaces in major Sydney CBD locations.

Parking Space Levy fees apply from 1 July each year. Users must get the new rates from the Office of State Revenue website and update the calculator.

The Parking Space Levy must be collected in full from the officer who has a vehicle under a salary sacrifice arrangement and who is provided with a parking space where the levy applies. There is no proportioning of the levy (e.g. by business/private split). The only change that can occur is at a reconciliation of a package where the officer has not held the spot for the entire FBT year. In almost all instances, there would be no exemption in accordance with clause 7 of the Parking Space Levy Regulation 2009.

(See also note in Appendix 3 under Taxation on the calculation and collection of the Parking Space Levy over whole year)

## **2.2 Additional Information**

### **2.2.1 Reconciliation**

Reconciliation of all packages is to be done as at 31 March (end of FBT year). Reconciliation requires the package to be recalculated based on closing FBT year information and reconciliation against the estimate provided to the officer. There may be further recovery from the officer or monies returned depending upon the outcome of the reconciliation.

When the package is reconciled, the FBT liability can be calculated using the Statutory Method or the Operating Cost method. The method that provides the lowest FBT amount payable can be used. The Operating Cost method should only be used when a valid log book has been maintained by the officer.

Please note: all reconciliation payments must be made before the end of the financial year and the Reportable Fringe Benefit amount put on the officer's payment summary.

### **2.2.2 Reportable Fringe Benefits**

In accordance with DPC Circular 2000-46, the FBT charge for salary packaging arrangements in all NSW Government Agencies will continue to be determined using the lower gross-up rate.

From April 2019 the rate is = 1.8868.

Under this scenario, the employee bears the GST inclusive cost of relevant expenses but is only charged FBT using the lower FBT gross-up rate. Because the employee will only be charged FBT using the lower gross-up rate, the employee will not be entitled to any Input Tax Credits (ITC) that may be available to the agency.

Agencies (the employers) will be required to pay FBT to the Commonwealth using the applicable FBT gross-up rate, generally the Type 1 rate (now 2.0802) and retain any ITC, if available.

The Reportable Fringe Benefit figure placed on the officer's payment summary will be calculated using the higher gross up rate.

### **2.2.3 Pooled Car Benefit**

Since 1 April 2007, pooled car fringe benefits, if exempt, do not need to be reported on the employee's payment summary. A pooled or shared car is one provided by an employer for the private use of two or more employees.

It is not NSW Government policy to have individual salary packaging arrangements that result in a car benefit for more than one employee.

## 3. APPENDIX 3

### 3.1 Components in calculating a package

#### 3.1.1 Purchase Price and FBT

The purchase price is the invoiced value of the vehicle including all accessories and options whether used for business or private use. Accessories are purchased from a dealer or third party as options or aftermarket fittings (e.g. towbar, driving lights etc). Under tax law any accessory added after the vehicle is purchased must be added into the purchase price of the vehicle.

The NSW Government previously decided that the FBT charge for salary packaging arrangements will use the lower gross up rate. Under this arrangement the employee bears the GST inclusive cost of relevant expenses but is charged FBT at the lower rate. As such GST is included on those items not exempt from the payment of GST.

#### 3.1.2 Lease Payments

The lease payment is a calculated fee incorporating the components of purchase price, residual value, interest rates and the lease term of the vehicle. The lease payment also includes GST.

#### 3.1.3 Running Costs

The running costs for a vehicle are calculated to include the cost of fuel, servicing, general maintenance such as oil and tyres, and repairs (non-insurance).

Vehicles categorised as commercial, which are salary sacrificed, are not exempt from the payment of FBT under the *FBT Assessment Act 1986*. They must be treated the same way as passenger vehicles.

#### 3.1.4 Standing Costs

CTP is applicable and paid based on the agency garaging address of the vehicle and not the private officer's address.

For vehicles leased after 4 July 2018, the initial registration fee is not included in the lease fee.

For older vehicles leased from StateFleet, the initial registration fee is included in the lease fee for that year.

Agencies should use the following formula to remove the registration fee from the lease fee. When the adjusted lease fee is used in package calculations, the officer should be charged the full registration fee in the package. **This is the recommended approach.**

$$\text{Adjusted Lease fee} = \frac{\text{Capital Cost of vehicle} \times \text{StateFleet lease fee}}{\text{Capital Cost of vehicle} + \frac{(\text{Days of Rego to CED} \times \text{Sal Sec Rego Charge})}{365}}$$

$$\text{Days of Rego to Common Expiry Date (CED)} = (\text{CED} - \text{Purchase date or Lease Commencement date}) + 1$$

NRMA membership is applied to packages where an agency has a specific account with the NRMA and pays the annual fee for the car to be covered. If an agency has elected to have a Fee for Service arrangement with the NRMA, no cost is payable by the officer. Where a manufacturer has a roadside assist package as part of the vehicle cost, no fee is to be charged to the officer.

Most packages will be costed as Fee for Service.

### 3.1.5 Taxation

Revenue NSW revises the Parking Space Levy annually for parking spaces in prime business districts. The levy commences on 1 July annually.

It is NSW Government policy to recover the full cost of the levy. However, the salary package calculation does not have to be adjusted to accommodate the two different rates which may apply over the FBT year, as this is administratively time consuming and not worth the minor cost change.

For packages created before the 1 July of the applicable year the old rates can be used for the whole year and for those created after the 1 July the new rates should apply.

### 3.1.6 Reconciliation Calculation

The calculator has a reconciliation sheet. This sheet can calculate on Statutory Factor or Operating Costs. If Operating Costs are known, then the lower rate will be used in the calculation. A minimum number of costs need to be entered for the operating costs calculation to be performed.


Where an officer may hold two vehicles packages over the year, both vehicle packages must be calculated separately and then the total reconciliation determined by joining of both sets of final figures.



# 4. APPENDIX 4

## 4.1 Motor Vehicle Salary Sacrifice Package Calculator

Agencies have the option of using their own spreadsheet or database to calculate packages. An electronic calculator is available from NSW Procurement. The calculator (2019 example below) is provided to identify the formulas and method of calculation to be used in determining a package cost and to maintain consistency across NSW Government agencies. The spreadsheet calculator is available from NSW Procurement.



Home and Close Sheet  
Print

**2019 - 2020 Motor Vehicle Salary Sacrifice Package Calculator**

**(calculates now for both leased and owned vehicles)**

OFFICER AND VEHICLE DETAILS		
OFFICER DETAILS	Enter Details	
Officer Name: #	NAME	Enter Officers name
Staff/payroll number: #	Enter Details	Enter Staff or payroll number
Position: #	Enter Details	Enter Position Description
Section	Enter Details	Enter Branch/ Section etc
VEHICLE DETAILS	Enter Details	
Vehicle Description: #	ENTER DETAILS	Enter Make Model and body type
Fleet Number: #	ENTER DETAILS	Enter unique Fleet number
Registration Number: #	ENTER DETAILS	Enter Registration Number of vehicle
Vehicle LEASED or OWNED: #	LEASED	Enter "Leased" or "Owned" (mandatory)
Purchase Price (ex GST): #	\$50,000.00	Enter Purchase Price without GST component
Lease or Depn Payment (ex GST): #	\$500.00	Enter Lease or Depn amount without GST
<i>(Items marked by # are mandatory)</i>		<i>(Lease/Depn # is mandatory even if "OWNED" )</i>

PACKAGE DETAILS		
PACKAGE DETAILS	Enter or Select from lists	
Regn or Delivery Date of Vehicle: #	1-Apr-18	Enter the Date the vehicle was delivered or Regn date if known
CED Date of Agency (registration): #	30-Jun-18	Enter Regn Common Expiry Date of Agency Vehicles (same year or next - never before)
Package Start Date: #	1-Apr-18	Enter start date (either start of FBT year or date in FBT year)
Package Stop Date: (see Reconciliation)	29-May-18	Selected from package stop date below in reconciliation
Estimated Total Kms (bus + priv): #	26000	Enter Estimated Total Kms for the entire FBT year business + private
Private Use percentage: #		Select Private % nominated by Officer
Running Cost Vehicle Category: #	Crew / DualCab / Utility; Toyota Hilux Mitsubishi Triton, Holden Commodore	Select the vehicle category using make and model description
Comprehensive Insurance: #	SUVCommercial	Select the Insurance category using make and model description
CTP: #	Sydney	Select the registered garaging location of the vehicle
Registration: #	976-1154 kg	Select the tare weight category based on make and model desc.
NDMA: #	Annual membership	Select the NDMA payment method

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