

## What is a Novated Car Lease or Salary Sacrifice Packaging

Buying a car is a big financial commitment and requires a fair amount of research, and financing it may be the best decision. Numerous banks and financing companies offer **commercial car loans**.

There are several ways to finance your car and a [car leasing](#) may a great option for you to consider.

A **novated car lease** is similar to a [car lease](#) and involves scheduled repayments against **car finance** for a new or used cars. What makes **novated car lease** different is that the repayments go directly from your gross income, before it is taxed. It is essentially an agreement for **car finance** that includes the employer, the employee and the **finance company**.

Great employers usually want to offer employees incentives that will motivate them to work better and stay committed to the company or organization. A **novated car lease** is a great incentive for employees. The financial responsibilities and ownership of the car remains with you even if you wish to quit your job.

It may also be available because you work in government body that offers **salary sacrifice incentives** as part of your package.

**Novated car lease** is found to be useful by both the buyer as well as the finance company as there is a certain amount of security attached with it. The employer will continue to make repayments from your pre-tax salary for as long as you are working with them.

There are several advantages of a **novated car lease** and these include being able to pay for the car with pre-tax dollars. You may also have wider range of cars to select from and be able to buy a car which may currently be out of your price range. In case you choose to terminate the lease or employment you could still continue to repay the loan for the car and own it.

### About the Author

Richard Jefferies has worked in the finance and lending market for over 10 years and is owner of Finance Ezi, a large asset based finance broker who sources the [lowest car loans rates](#) that the banks provide. Finance Ezi currently organises over 10 million a month in asset based finance predominately in new and [used car loans](#). He has over fifteen years experience in the finance and automotive industry.

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