

# Electric Vehicle (EV) FAQs



## Why do EVs work with a novated lease?

The FBT exemption was introduced for EVs purchased new, after 1<sup>st</sup> July 2022, and under the luxury car limit. EVs can be salary packaged through a novated lease with zero FBT, so full tax savings on all finance and running costs through a novated lease.

## Is an EV for me?

It depends on how you plan to use your vehicle.

Things to consider are:

- Charging infrastructure in your area.
- How you would use the car - longer journeys, towing or serious off-road ability may not suit an EV.

However, if you're driving fewer than a couple of hundred kilometres a day and have access to off-street parking (for charging) they can be a great way to get around.

EVs are particularly well suited as a second vehicle, providing the comfort and value of a petrol or diesel car with the better environmental credentials and lower running costs in addition to the tax savings.

Like all salary packaging, you should seek financial advice as government payments and education debts may be impacted.

## How much less does it cost to run an electric vehicle?

The NRMA recently published that average running cost savings of \$810 - \$1,400 a year are achieved by EVs, in addition to the tax savings achieved as a novated lease.

## Can I charge my EV at home?

Yes - This is the most cost-effective way to charge.

A regular power point provides only 2.4kW of power at best, so fully charging a 100kWh EV battery will take more than 40 hours.

A wall box will typically provide between 7.4kW and 22kW, slashing charging time considerably.

## Can I claim a home charger and installation?

No - A home charger is seen as a property related expense not a vehicle expense.

## Can I claim an additional fast charger?

No - Only the charger that comes included with the vehicle is able to be claimed as part of the lease.

## Can I claim electricity?

Yes - You can choose either:

- 4.2c per kilometre method as an annual reimbursement or
- Actual cost method by submitting receipts for paid charges.

You must decide at the start of your lease which method you will use that year and can only change at FBT year end for the year ahead.

\*Utilising the 4.2c per Kilometre method requires you to submit your odometer reading prior to the 1<sup>st</sup> April each year.

## How do I pay for charging at paid charge stations?

Submit the invoice/receipt as a claim for reimbursement from your packaged funds.

## Do electric cars need servicing?

Yes - EVs still require servicing and with less 'consumable' parts, the RACV suggests that servicing costs are generally cheaper than traditional fuel vehicles.

## How often do I need to replace the battery in an EV?

Most manufacturers suggest that battery life should be at least 10 years.

## Are batteries dangerous in cars?

All vehicles sold in Australia adhere to our strict safety standards and EVs are no more likely to be dangerous than traditional fuel engines.

## Do Electric Vehicles hold their value?

Due to how fast technology improves in the EV space to maintain the best resale value a 1-3 year term is recommended.