

### Fringe Benefit Tax

1. **Q. What Is Fringe Benefit Tax?**

A. Fringe Benefit Tax is a tax paid to the IRD by FCNZ on certain non-cash benefits provided by FCNZ (or those in an arrangement with FCNZ) to employees in respect of their employment. At FCNZ this means that if you are provided with any goods or service outside your salary or wages, that good or service may attract Fringe Benefit Tax.

One of the great advantages of being an employee at FCNZ is that the company has created innovative ways to provide you with the flexibility to choose from a wide range of benefits that you may access using Rewardpass points.

How much FBT that is payable depends upon what items are being provided to you - some items are FBT free while others attract full FBT.

2. **Q. How is FBT calculated?**

A. There are rules as to how to value each type of benefit provided to employees. If a good or service is subject to FBT, then the FBT rate of 61% is applied to the value of the good or service you receive. The intention is that an FBT rate of 61% applied to the net benefit you receive is identical to deducting income tax at 38% from a gross salary or wage payment that you would need to earn in order to go and buy that good or service. E.g. the provision of a fringe benefit with a value of \$122 will give rise to an FBT liability at 61% amounting to \$74. Alternatively, a \$196 bonus would have PAYE at 38% amounting to \$74 deducted from it, also arising in a net of \$122.

3. **Q. How do I calculate an FBT liability?**

A. You don't have to! FCNZ has an in-house tax team who have worked closely with the Rewardpass team to ensure that all point values include any FBT payable by FCNZ.