

05 December 23

Flight Club Fringe Benefits FAQ

1. What is a fringe benefit?

A fringe benefit should be interpreted as a perk received by an employee, which is distinct from the core component of the employee's compensation, namely their salary in monetary terms.

Fringe benefits are typically non-monetary perks provided to employees and do not involve direct cash disbursements. These non-cash benefits will appear on your tax certificate under source codes that commence with the digits 38, followed by two additional numbers.

2. What are some examples of fringe benefits?

Common fringe benefits include company cars, health insurance, housing allowances, free or cheap services and recreational club memberships.

3. Who is responsible for paying Fringe Benefit Tax (FBT)?

Employers are responsible for collecting the tax from the fringe benefits they provide to their employees and paying Fringe Benefits Tax to the South African Revenue Services (SARS).

4. How is FBT calculated?

FBT is calculated based on the taxable value of the fringe benefits provided, and the applicable tax rate of the employee.

5. What does this mean for me as a Flight Centre Employee?

Employees accrue Flightie Bucks through the methods communicated during the Flight Club launch. Each point holds a cash equivalent of R1, aligning with the definition of a fringe benefit as described in point 1.

- It's an exclusive employee perk.
- It's a non-monetary benefit.
- It's not directly tied to your income.
- The value can be identified.

The benefit is considered to only be received when the Flightie Bucks are **redeemed** for planning your dream vacation. Consequently, the value of this benefit will appear on your payslip, and, in the customary manner, anything on your payslip is subject to taxation. You will find the amount of Flightie Bucks claimed in the Taxable Fringe Benefits section of your payslip. Please see where below:

Taxable Benefits	
Description	Amount
Retirement Fund	1,102.95
Flightie Bucks	1,000.00
Total Fringe Benefits	2,102.95

Flightie bucks are taxed according to your tax bracket. So if you are on the 31%; it will 31% of the flightie buck redeemed.