



Tax Facts – Fringe Benefit Tax

Fringe Benefit Tax (FBT) is a tax on benefits that employees receive as a result of their employment, including those benefits provided through someone other than an employer.

The four main groups of fringe benefits are:

- [Motor vehicles](#) (refer to the IRD website for more information on how to calculate)
- [Low-interest loans](#) other than low-interest loans provided by life insurance companies
- Free, subsidised or discounted [goods and services](#), including subsidised transport for employers in the public transport business
- [Employer contributions](#) to sick, accident or death benefit funds, superannuation schemes and specified insurance policies

Gifts, prizes and other goods are fringe benefits. If you pay for your employees' [entertainment](#) or [club memberships](#), these benefits may also be liable for fringe benefit tax.

Fringe Benefit Tax is payable quarterly (however some employers may be able to elect payments filing on an annual basis).

Refer to the IRD website for more information on [how fringe benefit tax is applied and calculated](#).

If you would like further information on whether FBT is payable in your situation and how this is calculated just give us a call.