



NOTICE TO EMPLOYERS

Reduction of PAYE

Employers are advised that the **Social Responsibility Levy and Fringe Benefit Tax Decrees** are already in place effective from **1st January 2012**.

There have been concerns raised by some employees that certain employers are trying to re-negotiate employee contracts for reduced wages thus not allowing government to achieve the policy intention of this measure. This obviously is not acceptable and FRCA will deal with these employers accordingly.

Employers are hereby advised of the following:

1. SRL will be applied to anyone earning over \$270,000 a year.
2. SRL will be applied on full chargeable income, starting at 23 percent for income tax band \$270,001 to \$300,000 for residents.
3. SRL will be applied on full chargeable income starting at 19 percent for Income Tax band \$ 0 to \$15,000 for non-residents.

4. The purpose of the initiative was for the average employee to benefit, have increased disposable income, thus extra money to spend and get recycled back into the economy.
5. It is an offence to make false and misleading statement, propose or enter into an agreement directly or indirectly whereby the government is or maybe defrauded of revenue.
6. Any person trying to undermine the administration of the SRL will be severely penalized.

Fringe Benefit Tax (FBT)

1. The FBT is calculated on all non-cash benefits provided by the employer to the employee.
2. FBT is imposed to Employers at the rate of 20% of the fringe benefit taxable amount for each quarter.
3. Employers will have to pay for the FBT and not the employee.
4. Employers that charge employees FBT will be dealt with accordingly.

For any further enquiry please contact Mr. Epeli Naua and Mrs. Lily Bingwor on telephone numbers 3243505 and 3243545 respectively or on email: tepu@frca.org.fj.

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