

## **FLEXIBLE BENEFITS PLAN (FBP)**

### Frequently Asked Questions (FAQs):

#### **1. What is FBP? How it benefits employees?**

FBP (Flexi Benefit Plan) is a tax saving plan provided by the company to their employees in their salary structure which allows them to decide on the various components and further structure their salary to avail tax benefit. FBP consists of allowances which employees can choose as FBP component for tax benefit. Employees can avail tax benefit to the extent of the amount allocated towards FBP. The allowances amount declared under FBP would be reimbursed/paid without tax on monthly accrual basis on submission of expenses bills.

#### **2. Which all allowances are covered under FBP?**

FBP consists of the below mentioned eight allowances prorated and paid as per the date of joining/leaving:

##### **I. Medical allowances:**

- Eligibility - INR 15000/- per annum (monthly INR 1,250/-)
- Medical bills submitted should be in the name of self, spouse, children & dependent family member.

##### **II. Leave Travel Assistance (LTA):**

- Eligibility - maximum 1 month basic pay.
- Allowable expenses under LTA - Airfare or train fare or taxi fare (taxi for local conveyance only is not allowed) for travel within India, limited to cost of travel to the farthest point in the itinerary via shortest route
- Allowed for Self, Spouse, Children, dependent parents, dependent brothers & sisters
- LTA exemption is allowed only twice in a block of 4 years. Current block is 2014 to 2017.
- Minimum 3 days of earned leave need to be taken to avail the LTA benefit.
- In case of travel by air, air ticket and the original boarding pass need to be submitted.
- In case of travel by train, original train ticket needs to be submitted.
- In case of travel by taxi, original bills with trip sheet needs to be submitted which should clearly reflect places travelled, name of dependents & kilometers covered. The exemption will be provided on the basis of first class A/C rail fare, for the distance of the journey by the shortest route, as if the journey has been performed by rail.

### **III. Telephone & Internet Expenses Reimbursement:**

- Eligibility - INR 18,000/- per annum (monthly INR 1,500/-)
- Only one post-paid Internet/phone (mobile/landline) number is allowed.
- Bills should be in the name of employee only.

### **IV. Meal vouchers/allowance :**

- Eligibility - INR 13,200/- per annum (monthly INR 1,100/-)
- Company has tied up with HDFC bank to issue the HDFC Food Plus Card towards meal allowance, to which monthly INR 1,100/- is credited and which can be used for purchase of food items from any shop wherein debit/credit card swiping machine are in use.
- Declaration for meal allowance is not available in the salary portal. For HDFC Food plus cards, employees need to send a request email to Finance/HR rep.
- As the amount is credited to the card by the end of the month, there is no need to submit any bills / proofs for tax exemption.

### **V. Fuel expenses reimbursement**

- Eligibility - INR 21,600/- per annum (monthly INR 1,800/-) for car below 1600 CC. INR 28,800/- per annum (monthly INR 2,400/-) for car above 1600 CC. Two/Three wheeler are not eligible.
- In case employees do not opt for fuel reimbursement, INR 1600/- per month is paid as conveyance allowance which is not taxable.
- Fuel reimbursement covers expenses on fuel and repairs & maintenance.

### **VI. Driver's salary**

- Eligibility - INR 10,800/- per annum (monthly INR 900/-).
- Driver license copy need to be submitted along with the first month claim.
- Monthly Salary receipt duly signed by the driver needs to be submitted.

### **VII. Child School Fees:**

- Eligibility - INR 1,200/- per annum (monthly INR 100/-) per child limited to maximum two children (INR 2,400/- per annum for two children).
- Fee paid receipt / proof is not required. Exemption will be provided based on the declaration.

### **VIII. Employer Contribution to NPS**

- Eligibility - Maximum tax benefit 10% of basic pay.
- Employee need to share the NPS PRAN no. after the NPS account gets activated.

- Declaration of NPS is not available in salary portal, employee need to send the request to Finance/HR rep. Based on the request payment will be deducted on monthly basis from the FBP.

### **3. Where and when can an employee declare the FBP?**

FBP is declared in the salary portal and the new employees are allowed to declare FBP in the portal by 20<sup>th</sup> day of subsequent month of joining. For existing employees, window for declaration will be opened in April every year.

### **4. Can the changes be made in FBP once declared?**

FBP once declared once cannot be changed or cancelled. Also, in case employee fails to declare the FBP by the due date, he/she will not be allowed to declare later until the declaration window opens next in April.

### **5. What about the FBP amount if an employee do not opt for FBP or the amount which remains even after declaration of a few FBP allowances.**

FBP not declared or the balance of the undeclared FBP amount will be paid as “Special Allowance” monthly which would be taxable.

### **6. What if an employee fails to submit the bills/proof of expenses for the declared FBP?**

Amount will be paid as “Special Allowance” (taxable) along with the salary for the month of March.

### **7. What are the cut-off dates for submission of FBP declared bills?**

Employees can submit the bills anytime, however payment will be made on monthly accrual basis to the maximum declared eligible amount. The last date of submission of bills in March would be 19<sup>th</sup> March.

### **8. Are the bills required in original? Can employees submit photocopies or computer generated bills/proof?**

Bills are required in original only, photocopies of the bills are not accepted. However, computer generated/online payment receipt /proof is accepted.

### **9. Can an employee claim expenses of previous financial year or the period prior to the date of their new joining?**

Bills of the current financial year only would be considered under FBP. In case of new employees bills from the date of their joining only would be considered.