

## Flexible Benefit Plan (FBP)

Effective this Financial Year 2017-18, SanDisk India would like to introduce few changes in the existing Flexible Benefit Plan (FBP). The proposed changes are being implemented considering the best practices followed in the industry and also to comply with applicable statutory Acts and Rules.

There are certain changes have been made in FBP components and made it APPLICABLE TO ALL EMPLOYEES of SanDisk India.

### General FAQ 's on FBP

1. What is FBP?

Ans: Flexible Benefit Plan (FBP) is expected to provide better tax relief to employees with higher take home pay

2. Who is eligible for FBP?

Ans: FBP is applicable to all employees on permanent rolls of SanDisk India and employees who are on India payroll.

3. What does FBP include?

Ans: FBP Includes

- ☐ Medical Expenses Reimbursement
- ☐ Meal Benefit coupons
- ☐ Leave Travel Allowance (LTA)
- ☐ Telephone Expenses Reimbursement
- ☐ Employee Owned Vehicle Maintenance reimbursements -
  - o Fuel expenses
  - o Maintenance expenses

4. Do FBP entitlements differ for various Levels?

Ans: FBP limits for each component are common to all levels. The applicable limits for the same are listed below:

FBP Component	Amount	Eligibility
Medical Expenses Reimbursement	INR 1250 p.m.	Eligible for all levels
Meal Benefit Coupon	INR 1100 p.m. or INR 2200 p.m.	For 1 Meal - INR 1100 p.m. For 2 Meals - INR 2200 p.m.
LTA	One month Basic	Eligible for all levels
Vehicle Maintenance Reimbursement	Up to INR 1800 p.m. Up to INR 2400 p.m. Up to INR 1600 p.m.	For Employees who own car in their name: For CC less than or equal to 1600 – Up to INR 1800 p.m. For CC greater than 1600 – Up to INR 2400 p.m. For 2 wheeler user – Up to INR 1600 p.m.
Telephone Expenses Reimbursement	Up to INR 3000 p.m.	All levels

5. How does FBP work?

(a) FBP works such that at the beginning of financial year employee can avail of various options as mentioned in the document below. Once these are chosen, they are kept aside and remaining salary is computed on monthly basis and credited to employee's account. The FBP is provided only on 'reimbursement basis', each quarter. Except meal coupons, those are given monthly.

(b) At the end of the year, unclaimed (Through reimbursements) amount is given in Mar salary, as net of tax.

6. How often can I change FBP?

Only once, at the beginning of financial year.

### [Flexi Component FAQ's](#)

#### Medical Expenses Reimbursements

1. What is the limit for medical expenses claims per financial year?

Ans: Amount of medical expenses reimbursement claims per financial year is limited to a maximum of Rs.15000/-

2. Is the Reimbursement only for self or dependents?

Ans: Reimbursement can be claimed for medical treatment and expenses incurred for self, spouse, children and dependent parents.

3. What kind of medical expenses would be considered?

Ans: All types of medical expenses can be claimed including, medical tests, X-rays, CT scan, child birth, hospitalization charges. For Lens purchased, receipt should be attached with the practitioners' certificate.

4. What incase an employee joins/separates from the organisation in between the financial year, what would be the limit for claims?

Ans: Medical Reimbursement will be proportionate to the number of months spent in the financial year for employees who have joined or separated during the year

5. How are the Claims done?

Ans: The medical bills will have to be submitted to Ascent on a Quarterly basis and the cut-off date will be communicated accordingly. The bills will be verified and the reimbursement would be done directly to your salary account by the Payroll restricted to the Eligibility on the last month of every quarter.

6. What If I do not opt for Medical Expenses Reimbursement?

The Amount would be added to the special allowance and paid net of tax every month.

7. What incase the medical claims exceed Rs 1250/- per month?

Ans: If employee submits in excess of eligibility, the eligible amount will be in that quarter and balance will be carried forward and paid in subsequent quarter

#### Meal Benefit Coupon

1. What would be the value of Meal benefit coupon ones entitled to? Ans: It will be INR 0 / 1100 / 2200 per month

2. What would be the denominations of the Meal Allowance?

Ans: The denominations would be in Rs 50 / 100.

3. Does the employee have the option to choose the denomination of the coupons? Ans: Yes, it will be INR 0 / 1100 / 2200.

4. Is the Meal benefit coupon Tax Free?

Ans: Meal benefit coupon is completely tax free.

5. Where do I collect my Meal benefit coupon from?

Ans: E-mail is sent each month by HR on day/date of distribution for collection.

6. What incase an employee does not collect the Meal benefit coupon during the specified time?

Ans: It needs to be collected each month. If not, it can be collected from HR/manager, as per the meal benefit process.

7. What incase an employee separates from the organisation in between the month?

Ans: If an employee separates from the organization at any point of time, the value of Meal benefit coupon for the number of days from the last working day till the end of the month would be paid as cash as part of full and final settlement. Meal benefit coupon once issued cannot be encashed in lieu of the final settlement.

8. What happens incase the coupons are lost?

Ans: The Coupons once issued cannot be taken back or changed or re-issued on event of loss.

9. Are employees working onsite in India Payroll eligible for Meal benefit coupon? Ans: No

10. What is the validity period of the Meal benefit coupon?

Ans: The validity of the Meal benefit coupon is mentioned on the coupons.

#### Leave Travel Allowance (LTA)

1. What would be the limit for LTA?

Ans: Employees of the Company are entitled to declare up to one month Basic salary.

2. Will onsite travel be claimed through LTA?

Ans: No. The employee should have proceeded on leave to any place in India.

3. How often can LTA be claimed and what would be the extent for claims?

Ans: As per the current Income Tax provisions, LTA can be claimed on two domestic travel in a block of 4 calendar years , and is exempted from tax. . The exemption will be given as per the current provisions of Income Tax Act and Rules.

4. Can the Employee claim for travel of spouse, kids and Parents?

Ans: Yes. Expenses incurred on travel of spouse, children and dependent parents of the employee can be claimed..

5. Can Claims be made for in- laws?

Ans: No.

6. Can multiple travel claims be made in a year?

Ans: No.

7. What if the travel includes multiple destinations?

Ans: The longest distance through the shortest route would be considered. Eg Travel from Bangalore to Mumbai and Mumbai to Delhi. The travel from Bangalore to Delhi would be considered.

8. How can the LTA claims be made?

Ans: The claims are made as follows

- ☐ The air tickets/ train tickets/actual bills of other modes of transport purchased (with boarding pass) for this purpose needs to be submitted in original along with the FBP claim. In case of Internet booking – the relevant e-ticket printouts and original boarding pass is mandatory to be submitted with the claim
- ☐ For any other modes of transport toll gate receipts, from and to destination details, Kms, etc., is required for claiming

9. What would be the travel criteria considered for LTA?

- ☐ The employee should on leave to avail LTA. .
- ☐ LTA exemption is limited to travel expenses and does not include stay expenses like accommodation, food etc., incurred the amount will be restricted to –
- ☐ (a) economy air fare - Where journey is performed by air
- ☐ (b) A/c first class rail fare by short route – Where journey is performed by rail
- ☐ (c) A/c first class rail fare by short route – Where journey is performed by other mode and places are well connected with rail transport or not.
- ☐ (d) First class or Deluxe class fare – Where a recognized public transport system exists
- ☐ The LTA exemption will be computed on actual expenses incurred on travel or the rules framed above whichever is less.

**Employee owned Vehicle Maintenance reimbursements**

1. What can be claimed under this head?

Ans: Employees are eligible to claim only Fuel and Maintenance expenses.

2. What are the prerequisites for this claim?

Ans: To claim under this head, the vehicle for which the claims are made should be registered in the employee's name.

3. How are the claims made?

- ☐ Employee has to submit the Registration Certificate book (copy) to Ascent at the time of first claim
- ☐ Actual original fuel bills for the relevant months should be submitted along with the claim.

4. Can the employees opting for this benefit avail for conveyance allowance of Rs 1600 Pm?

Ans: No

5. What incase you doesn't have a vehicle?

Ans: In case you don't have a vehicle; you will have to opt for Conveyance allowance.

**Telephone Reimbursement.**

1. What can be claimed under this head?

Ans: Employees may claim reimbursement for one Landline, one mobile connection, and one Broad Band Connection postpaid only.

2. What if the Landline number is in the name of Parents/ Landlord?

Ans: The bills should be in employee name only, however if the same is not in Employee Name but used by the Employee, then he/she can provide an undertaking from Parents / Landlord stating they are not availing any tax benefits and submit the original bills along with claims..

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### FBP Declarations

1. Where can the FBP declarations made?

Ans: Ascent Payroll Online link is used to declare the FBP based on the limits.

(<https://www.ascent-online.com/clientlink.php>)

2. Does it have a time limit?

Ans: Yes. The FBP declaration link would be open during start of the financial year from 01 to 15 of every month

3. How is my monthly Tax calculated?

Ans: Based on the FBP declaration, Income tax will be calculated on estimate and deducted every month accordingly.

4. Can FBP Declaration be changed?

Ans: Yes, however only in above defined period..

5. When can the New Joinees do the FBP Declaration?

Ans: For new Joinees the link will be opened after the first salary disbursement for 15 days.

6. Whom do you contact incase of technical issues in ascent during the FBP Declaration? Ans: You

will have to contact the Ascent helpdesk.

### FBP claims procedure

1. How are the claims done every Quarter?

- ☐ Employees will make the Claim against the relevant FBP Component in Ascent system and create a claim request.
- ☐ Employee will print the Claim request from Ascent and attach all Original supporting bills for the claims.
- ☐ Employee will sign the Log Register kept at respective offices and submit FBP claims before the cut-off date in the drop box for Ascent to collect the Claim forms for FBP processing in the current month.
- ☐ Ensure to staple the bills firmly and put it in the cover and drop it in the drop box kept at each location.
- ☐ Ascent will verify the claims submitted and approve or reject the claim, the status of which can be seen in the Ascent system. Ascent will send a mail to the respective employees for approval or rejection of the claim.
- ☐ Ascent will verify the bills for completeness and only then the same will be processed. Any unprocessed bills or claims will be informed to the employee via mail.. The unprocessed bills will be returned to respective employees upon request only.
- ☐ Submitted FBP claims approved by Ascent will be paid out to employees in claims submitted month along the Salary .



2. How is the reimbursement done for employees under separation?

Ans: The reimbursement would be a part of the full and final settlement. SanDisk India HR will inform separated employees for submission of the reimbursement as per the timelines. If the employee submits the eligible reimbursement claim within timeline, it will be considered for tax exemption otherwise FBP will be paid net of taxes in F&F.

3. For employees under separation where should the bills be submitted?

Ans: Employees under separation will have to submit the bills to HR / Finance directly before the last working day

4. What if the claims are submitted after the cut-off?

Ans: Employees have to submit the claims before the cut-off, however the employees who have not claimed before cut-off date they can claim in subsequent quarter.