



RAEI 2023

Session 9: Best practice for tax treatments

Fringe Benefit Free or Cheap Accommodation

- Paragraph 9(3) provides for the use of a formula which is effectively calculated as a percentage of the employee's remuneration. While this could be beneficial for employees earning a lower salary, it could lead to a value much higher than the actual market value for higher-income employees.
- Paragraph 9(5) "Where, by reason of the situation, nature or condition of the accommodation or any other factor, the Commissioner is satisfied that the rental value of such accommodation is less than the rental value thereof determined in accordance with the formula contemplated in subparagraph (3) or the rental value determinable under subparagraph (4), he or she may determine such rental value at such lower amount as to him or her appears fair and reasonable
- **EMPBR**

Fringe Benefit – Staff Uniforms

- Section 10(1)(nA) of the Act provides that where an employee is:
 - a) as a condition of his employment;
 - b) required while on duty to wear; and
 - c) a special uniform which is clearly distinguishable from ordinary clothing,

Fringe Benefit – Gifts

- Par 2(a) where asset is given to employee
- Gross Income - In Lieu of services rendered or to be rendered
- Par 2 – fringe benefit by virtue of employment
- Promotional/corporate-branded items to promote an institutional initiative, project, or event
- LSA's

Change the World



www.mandela.ac.za