

Fringe benefits

Sociology, Empowerment



Many businesses offer their employees fringe benefits. According to Businessdictionary. com (n. d.), “ Compensation in addition to direct wages or salaries, such as company car, house allowance, medical insurance, paid holidays, pension schemes, subsidized meals. Some fringe benefits are regarded part of a taxable income. ” There are different types of fringe benefits. Every benefit offered falls under one of four different classifications. The first classification is employment security.

Maternity leave, sick time, bereavement, and cost of living adjustments are just a few of the fringe benefits that fall under this area. The next classification is health protection. Under this heading short-term and long-term disability are offered as well as workman’s compensation insurance and life insurance. Another classification is old age and retirement. Just as it sounds this area provides aging individual with deferred income options, old age assistance, and pension plans. The final classification is personnel identification, participation, and stimulation.

Different types of incentive pay are covered under this heading along with many different free or discounted services (Sardhar, n. d.). Some of the most common fringe benefits that are offered are employment security, retrenchment compensation, layoff compensation, and safety and health. Employee security provides every employee a sense of peace for not only their physical safety but also his or her financial and mental well-being. Retrenchment and layoff compensation are supported by the industrial disputes act of 1947.

In summary, the law states that any employer who employs 50 or more people has to either give employees a full months notice of their job loss or up to 45 days of pay in the case of retrenchment. Layoff compensation is only required at 50 % of their wage up to 45 days. Most safety and health benefits are required and monitored by the Occupational, Safety, and Health Administration (Sardhar, n. d.). Employers offer fringe benefits for many different reasons. One is to improve relations within their market niche.

Another is to support and improve the morale in the workingenvironment. Understanding the needs of the employees and satisfying the needs that are not can be another reason businesses offer fringe benefits. Companies also choose to offer different types of fringe benefits to provide a quality working environment. Employers also provide security to their workingfamilyby protecting them from different social risks. The health and welfare of every employee is also important and another reason fringe benefits are offered.

Turnover can be very costly for any business so maintaining loyal workers is a positive effect of fringe benefits. Probably one of the most evident reason employers provide these benefits to employees is that they are required to by law (Sardhar, n. d.). References Businessdictionary. com. (n. d.). Fringe benefit. Retrieved from <http://www.businessdictionary.com/definition/fringe-benefit.html> Sardhar, M. (n. d.). Types of fringe benefits. CiteHR. com. Retrieved from <http://www.citehr.com/148249-types-fringe-benefits.html>