

# Travel Expenses

Vademecum

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## TRAVEL EXPENSES

A business trip (external activity for professional reasons) exists, if the employee is working

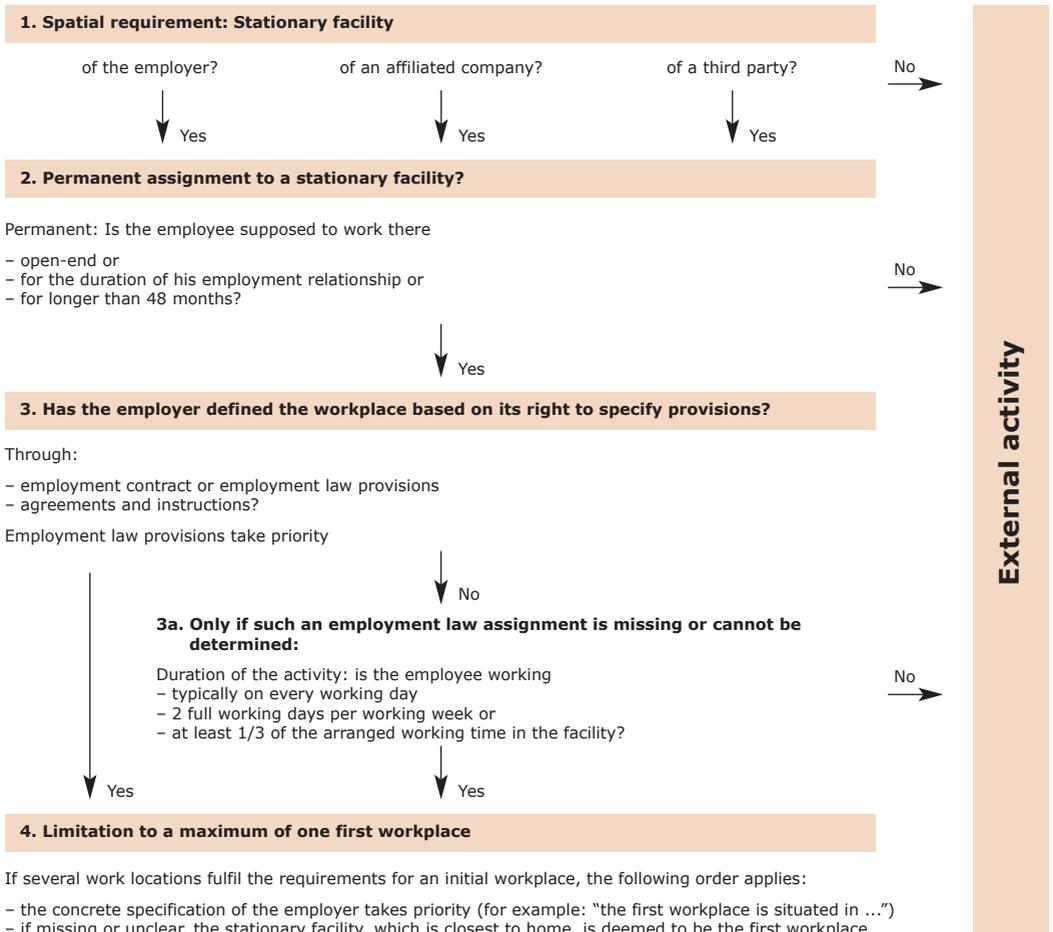
- for professional reasons,
- temporarily,
- outside of his home and his center of professional activity and
- not at the initial workplace

### The initial workplace replaces the regular place of work.

Since 2014, an employee has a maximum of one **initial workplace** per employment relationship, however, by way of derogation from the previous regulation, it may **also** be **with a customer**.

In principle, the initial workplace may be contractually defined. However, a negative allocation, i.e. the simple information that there is no initial workplace, may not be possible. Either an initial workplace does exist and has been defined or the external circumstances indicate that there is none, for example, assignments as a sales representative or an engineer with constantly changing customer visits.

The following diagram indicates, whether an initial workplace may or may not exist.



## Transport costs

All journeys due to professional external activity, which do not take place between home and the initial workplace, will be considered travel expenses.

Amount of the expenses:

- actual expenses for transportation,
- fare including surcharges for public transport

When using own vehicle:

- Kilometer rate from annual total costs (individual proof),
- kilometer allowance:

Vehicle	Kilometer rate (EUR pro km)
Car	0,30
Other motorized vehicles	0,20

In addition to kilometre rates, extraordinary expenses (e.g. accident, theft, technical wear) must be taken into account. The principles of the initial workplace must also be observed for calculating the non-cash benefit of company cars. However, a differentiation must be made according to the frequency of the visits to the initial workplace. If visited frequently, the factor of 0.03% is used for the distance between home and initial workplace, when it comes to taxation. If the amount remains below 15 visits per month, taxation with the 0.002% rule may possibly be expedient. If a company vehicle is only borrowed, e.g. for relocation, the 0.001% rule applies.

## When it comes to flights, different rules apply:

the country can be considered attained when the flight has landed. until then, the lump-sum amount of the country of departure applies.

## Flights over 2 days:

- On the interim days, the lump-sum amount for Austria applies.
- With a stopover, the lump-sum amount is only relevant for overnight accommodation.

With the aid of a travel expense policy, many things can be reduced, for example, the lapse of claims for additional meal expenses for training courses booked by the employer with meals. Travel expense forms, which already calculate the absence, can also lead to a significant reduction of errors in processing the travel expenses. Contact us, we will be pleased to provide you with templates.

## Additional meal expenses

Since 2014, only two rates have applied for additional meal expenses, which the employer can compensate or the employee can offset as professional expenses.

Duration	per calendar day lump-sum amount in EUR
<b>One-day business trip</b> with an absence of MORE than 8 hours	12,00
<b>Several days' business trip with overnight accommodation</b> , if the employee is absent for a full 24 hours	24,00

**Arrival and departure day for several days' business trip:** EUR 12, regardless of the duration of absence. The requirement is that the employee stays overnight outside of his home on this particular day, a subsequent day or a prior day.

**Note:** For several days' business trips with overnight accommodation, the employer may waive the recording of actual absence times in the future, if it can be certain that overnight accommodation existed. For the day of arrival and departure of a multi-day business trip with overnight accommodation, the duration of absence is irrelevant. For a one-day business trip, it is sufficient if a duration of absence of more than eight hours is ensured.

**Night rule:** Anyone who is travelling for business purposes after midnight on a calendar day and does not stay overnight, is entitled to receive a meal allowance for tax purposes of EUR 12 for the calendar day on which he is mainly travelling.

**Three-month time limit:** The tax-exempt compensation of additional meal expenses is limited to the first three months at the same place of work. An interruption of four weeks enables a new three-month time limit to start. The reasons for the interruption - sickness, leave or operational approaches - have been irrelevant since 2014.

## Meal provision for employees

... for own business interest	... for external activities	... for a reward
<ul style="list-style-type: none"> <li>- Company event</li> <li>- Business meal</li> <li>- Entertainment (e.g. customers, in the Group ...)</li> </ul>	Meals from the employer or third party. The tax-exempt meal provision is only possible, if it involves a so-called "customary" meal, i.e. it does not exceed the value of EUR 60 per person.	Meals provided as consideration for work performance must be applied at the actual value, e.g. if an employee is permitted to go to an expensive restaurant for good work performance.
No non-cash benefit is incurred.	Reduction of the additional meal expenses for breakfast by EUR 4.80 lunch/dinner by EUR 9.60 each.	The exemption limit of EUR 44 is applicable, but may not be exceeded and may not be utilized in a different way; otherwise a taxable non-cash benefit is created.

**Practical tip:** "Meals" on flights, such as crisps or biscuits, do not count as meals in the fiscal sense and do not reduce the meal allowances.

### Granting of meals for external activities

The employee is provided with meals by the employer or third party on his external activity.

Employee has a meal himself and the employer reimburses the expenses	Meal arranged by employer or third party	External activity with overnight accommodation
<p>Reimbursement only remains tax-exempt within the scope of the known limits, i.e. for one-day absence: EUR 12 for more than 8 hours of absence.</p> <p>For several days' absence: EUR 12 for the day of arrival and departure, EUR 24 for at least 24 hours of absence</p>	<ul style="list-style-type: none"> <li>- Full cost assumption by employer is permitted.</li> <li>- NO non-cash benefit with the benefit-in-kind can be applied any more.</li> <li>- With additional compensation for additional meal expenses the reduction for breakfast is EUR 4.80, for lunch/dinner EUR 9.60 each</li> </ul>	<p>principle: the pure overnight accommodation expenses are reimbursable. Expenses for breakfast = meal must be reduced.</p> <p>For meals, the previous column also applies</p>
Additional reimbursements in the amount of EUR 12 / EUR 24 can be taxed at 25% on a lump-sum basis.	<p>Professional reasons in the interest of the employer.</p> <ul style="list-style-type: none"> <li>- Employer has promised the employee the coverage of the costs under employment law.</li> <li>- Invoice is issued in the employer's name.</li> </ul>	Covered by the employer = Costs for breakfast for additional meal expenses must be reduced by EUR 4.80.

### Overnight accommodation expenses

Business-related overnight accommodation expenses may only continue to be reimbursed unreservedly for 48 months. Thereafter, only a maximum of EUR 1,000 per month will be reimbursed on a tax-exempt basis. The allowance of EUR 20, each employee may claim without proof, remains unchanged.

## Additional meal expenses abroad

Based on the current BMF letter, in agreement with the highest tax authorities of the federal states, the lump sums for additional meal expenses and accommodation costs for professionally and operationally arranged foreign duty travel will be announced from January 1, 2018 (boldface marks the changes compared to the overview from January 1, 2017).

For the countries not covered in the notice, the standard amount applicable to Luxembourg is decisive, and for unrecognized overseas and outlying areas of a country the lump sum applicable to the mother country is decisive.

### Important:

For one-day trips abroad, the corresponding lump sum of the last place of employment abroad is decisive. For multi-day travel in different states, the following applies to determine the meal allowance on the arrival and departure days as well as on the intermediate days (days with 24 hours absence):

- When traveling from domestic to foreign countries or from abroad to domestic without any action, the corresponding lump sum of the place prevailing before 24 o'clock local time is decisive.
- When departing from foreign countries to domestic or from domestic to foreign countries, the corresponding lump sum of the last place of activity shall prevail.
- As a rule, the corresponding lump sum of the place, which the employee reaches before 24 o'clock local time, is decisive for the intermediate days.

If the day of the return from a multi-day out-of-town activity to the apartment or first place of employment is followed by a further one-day or multi-day out-of-town activity, only the higher meal allowance is to be taken into account for this day.

**To reduce the meal allowance, the following applies:** When providing meals by the employer or at his request by a third party, the reduction of the meal allowance must be made on a daily basis, ie. from the meal allowance for a 24-hour absence relevant for the respective travel day, irrespective of the country in which the particular meal was made available.

In Belgium, for example, more than 8 hours absence a day, would amount to 28,- EUR additional meal expenses, more than 24 hours absence per day would amount to 42,- EUR. The deduction for a breakfast would be 8,40 EUR (42,- EUR x 20%), for a lunch or dinner it would be 16,80 EUR (42,- EUR x 40%).

### Excerpt from the overview of the lump sums applicable from 1 January 2018 for additional meal expenses and overnight accommodation abroad.

(Changes compared to January 1, 2017 – BStBI 2016 page 1438 – in bold)

Country	Lump-sum amounts for additional meal expenses		Lump-sum amount for overnight accommodation expenses
	for a duration of absence of at least 24 hours per calendar day	for the day of arrival and departure and for a duration of absence of more than 8 hours per calendar day	
	€	€	
Belgium	<b>42</b>	28	135
Bosnia and Herzegovina	18	12	73
China			
- Chengdu	35	24	105
- Hongkong	74	49	145
- Canton	40	27	113
- Beijing	46	31	142
- Shanghai	50	33	128
- rest	50	33	78
Denmark	<b>58</b>	<b>39</b>	<b>143</b>
France			
- Lyon	53	36	<b>115</b>
- Marseille	<b>46</b>	<b>31</b>	<b>101</b>
- Paris and the Departments 92, 93 and 94	58	39	<b>152</b>
- Strasbourg	<b>51</b>	<b>34</b>	<b>96</b>
- rest	44	29	<b>115</b>

Country	Lump-sum amounts for additional meal expenses		Lump-sum amount for overnight accommodation expenses
	for a duration of absence of at least 24 hours per calendar day	for the day of arrival and departure and for a duration of absence of more than 8 hours per calendar day	
	€	€	
Greece			
- Athens	46	31	132
- rest	36	24	89
India			
- Chennai	34	23	87
- Calcutta	41	28	117
- Mumbai	32	21	125
- Neu Dehli	50	33	144
- rest	36	24	145
Italia			
- Milan	39	26	156
- Rome	52	35	160
- rest	34	23	126
Kosovo	23	16	57
Croatia	28	19	75
Liechtenstein	53	36	180
Luxembourg	47	32	<b>130</b>
Mexico	41	28	141
Netherlands	46	31	119
Norway	<b>80</b>	<b>53</b>	182
Austria	36	24	104
Portugal	36	24	<b>102</b>
Sweden	50	33	168
Switzerland			
- Geneva	64	43	195
- rest	62	41	169
Spain			
- Barcelona	32	21	118
- Canary Islands	32	21	98
- Madrid	41	28	113
- Palma de Mallorca	32	21	110
- rest	29	20	88
United Arab Emirates	45	30	155
United Kingdom of Great Britain and Northern Ireland			
- London	62	41	224
- rest	45	30	115