

General Information on the German Travel Expenses Act

These guidelines apply to Travel expenses in accordance with the German Travel Expenses Act (Bundesreisekostengesetz, BRKG).

A.) Train and air travel

Expenses for train travel as well as expenses for air travel can be reimbursed, if it is work-related and/or cost-efficient.

B.) Car travel

A standard rate of 30-euro cents per kilometre may be reimbursed. This allowance is intended to cover all costs associated with car travel.

C.) Per diem allowance

The per diem allowance is calculated in accordance with the provisions of the German Income Tax Act (Einkommensteuergesetz). The allowance for external, one-day business events is €12 for periods between 8 and 24 hours; for business extending over multiple days, €12 is allotted for each actual day of travel to and from the business location and €24 for complete business days (24-hour absences).

The per diem allowance will be reduced to account for meals furnished at no cost, or if meals are provided as part of the reimbursable travel, lodging or incidental expenses.

A total of

- breakfast 20 percent (€ 4.80)
- lunch 40 percent (€ 9.60)
- dinner 40 percent (€ 9.60)

will be deducted from the allowance per calendar day accordingly.

D.) Lodging

Hotel costs can be refunded 100%, if overnight accommodation is essential. Hotel costs are limited to room only. (Means: no minibar or meals!)

E.) Example

Mr. John Doe is on behalf of his employer on a four-day business trip, which leads him from his first place of work in Munich to Hamburg, where negotiations with business partners are pending. Mr. Doe leaves on the first day at 18:40 clock in Munich. He spends the following two days in talks and negotiations with the potential business partners, and on the evening of the third day a business lunch with the negotiating partners is due to be paid by John Doe's employer. On the fourth day, Mr. Doe returns to Munich Airport at 12:00 noon. According to the current regulations, John Doe can set up the travel expenses statement as follows:

Day 1: This day counts as arrival day. Mr. Doe can charge 12 euros as additional meals.

Day 2: John Doe is absent all day long on business. He is therefore entitled to 24 euros as additional meals.

Day 3: Also this day falls under the big lump sum. However, the cost of dinner must be deducted, as this is paid by the employer. Mr. Doe has to cut the additional 24 euros of additional meals by 40%. After deducting € 9.60, John Doe can claim € 14.40 for the third day.

Day 4: This is the departure day. Mr Doe is entitled to 12 Euro daily allowance. In total, John Doe can therefore calculate $12 \text{ €} + 24 \text{ €} + 14,40 \text{ €} + 12 \text{ €} = 62,40 \text{ €}$ as additional meals in the travel expenses for the additional meals.

F.) Entertainment:

Entertainment expenses for business reasons are tax deductible with 70%.

→ names of participants and the reason must be stated on this invoice.

Note: Entertainment costs are not included in the travel costs and can be reimbursed separately.