## Revision History

<table>
<thead>
<tr>
<th>Date</th>
<th>Revision Notes / Comments</th>
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<tr>
<td>04-Dec-2019</td>
<td>Updated with 2020 rate updates</td>
</tr>
<tr>
<td>05-Dec-2018</td>
<td>Updated with 2019 BIK rate deduction amounts</td>
</tr>
<tr>
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<td>Updated with 2018 BIK rate deduction amounts</td>
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<td>Updated the limits for simplified invoices</td>
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<td>Updated with 2017 BIK rate deduction amounts</td>
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<td>14-Dec-2015</td>
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Disclaimer

The Concur Global Template consists of Expense configurations designed to support the most commonly known configuration and statutory requirements for supporting T&E best practices. The system includes support for specific statutory requirements based on our understanding of “common interpretation” gathered from our experience of in-country legislation through the deployment of Concur into this market. The Country Template represented in this guide is intended to provide customers with a starting point to aid in the deployment of their T&E solution and should in no way be construed as tax or compliance advice for your business. The template configuration may need to be adjusted to match the requirements of your business, and any legal or statutory requirements should be confirmed with your company’s tax accounting and/or compliance departments before being authorized for configuration into your Concur Expense system.

Updates

Rates and/or regulatory requirements provided as part of the Templates are not guaranteed to be up to date, so any information provided should always be verified by the customer against the current government regulations. Updates are applied through on-going partnership with in-country Concur product marketing teams, liaison with implementing customers, and through collaboration across the various Concur implementation teams deploying in these countries.

The timing of updates can vary by country and feature. For example, certain countries provide regular annual updates to statutory travel allowance and mileage rates, while the rates in other countries are less frequently updated. VAT rate updates are typically less frequent or predictable and can occur at any time and are quite often dependent on broader economic situations. Tax authorities do however typically provide advanced warning where VAT rate or rule changes come into effect to allow businesses time to prepare.

Every effort is made to ensure that where updates are known to Concur that these are applied to the latest version of the template in a timely fashion. Where updates have been applied these will be reflected in any available template documentation.
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Best Practice VAT Configuration Options

VAT Considerations

The intention is to pre-configure the VAT within the Template environment using pre-configured elements to support the statutory VAT (known as Umsatzsteuer or USt) requirements in Germany. This will assist with ensuring that users enter the correct information before auditing to ensure compliance with the tax regulations for reclaiming VAT.

Concur will provide recommended best practices for configuring the environment for Germany based on the following model:

- **Best Practice configuration options** - specific data entry fields and audit rules to control compliance before the expense claim is audited or processed.

- **3 Receipt Types** (Tax Receipt/Steuerbeleg, Receipt/Beleg and No Receipt/Kein Beleg). When the user selects No Receipt there will be an audit rule to force them to enter a comment and make them aware that they must issue an “Eigenbeleg” or Self Signed Receipt. A yellow flag will be raised to the Approver/Processor informing them that No Receipt was selected and to check if they require an “Eigenbeleg” or Self Signed Receipt.

- Where the expense is for gross amount more than €250.00 it must have all particulars of a fully detailed VAT invoice (including the Company Name and Address). The Germany Template will only require this by default for those expense types where it would be most common that amounts may exceed €250 and where the employee could obtain an Invoice in the Company Name for the expenses incurred. These expenses will include: Hotel, Car Rental, Office Supplies/Software, Tuition Reimbursement, Trade Display/Promotional, Relocation Expenses, Dues/Subscriptions and Seminars/Course Fees. The system will be configured to ensure that VAT Reclaim is only possible where the user selects “Tax Receipt” in combination with a declaration (tick box) that the Invoice/Receipt is in the company name. For all other expense types the user will receive a warning flag where the amount exceeds €250 informing them that they should only select “Tax Receipt” where the Invoice/Receipt is in the company name.
Expense Types with Special VAT Handling

Special VAT conditions and data entry requirements for which it is suggested we include special pre-configured tax handling in the template system.

Airfare and Airline Fees

VAT is only applicable on Airfare expenses where the destination is domestic and the ticket is purchased within Germany. Even if the City of Purchase selected by the user is within Germany, if the trip is overseas (International) then no VAT is applied. In order to assist in providing the necessary information to calculate VAT on Airfare the user will be required to select from the following options in a drop-down field:

- Domestic Trip (19%)
- International (No VAT)

Based on the selection of the value the system will calculate the VAT. Based on the selection of the Receipt Status the system will calculate whether the VAT is reclaimable.

Train

VAT is only applicable on Train expenses where the destination is domestic and the ticket is purchased within Germany. Even if the City of Purchase selected by the user is within Germany, if the trip is overseas (International) then no VAT is applied.

In addition, if the domestic journey is less than 50km in distance then the Reduced rate of VAT typically applies (known as in-town transport). VAT on long distance transport (greater than 50km) is charged at the Standard rate of 19%.

In order to assist in providing the necessary information to calculate VAT on Train expenses the user will be required to select from the following options in a drop-down field:

- Domestic < 50km (7%)
- Domestic > 50km (19%)
- International (No VAT)

Based on the selection of the value the system will calculate the VAT. Based on the selection of the Receipt Status the system will calculate whether the VAT is reclaimable.

NOTE: Tickets for Train expenses can alternatively show the tariff zone instead of the VAT rate applicable. The tariff information is sufficient to determine the distance and thus the applicable VAT rate.
Public Transport and Taxi

VAT is only applicable on Public Transport/Taxi expenses where the destination is domestic and the ticket is purchased within Germany. If the domestic journey is less than 50km in distance, then the Reduced rate of VAT typically applies (known as in-town transport). VAT on long distance transport (greater than 50km) is charged at the Standard rate of 19%.

In order to assist in providing the necessary information to calculate VAT on Rail the user will be required to select from the following options in a drop-down field:

- Domestic < 50km (7%)
- Domestic > 50km (19%)
- International (No VAT)

Based on the selection of the value the system will calculate the VAT. Based on the selection of the Receipt Status the system will calculate whether the VAT is reclaimable.

**NOTE:** Tickets for Public Transport expenses can alternatively show the tariff zone instead of the VAT rate applicable. The tariff information is sufficient to determine the distance and thus the applicable VAT rate.

**Breakfast, Lunch, Dinner and Entertainment**

In Germany Meals and Entertainment expenses are typically taxed at the standard 19% rate, however in some cases these are subject to the reduced 7% rate (for example some Takeaway meals).

In order to assist in providing the necessary information to calculate VAT the user will be required to select from the following options in a drop-down field:

- Standard (19%)
- Reduced (7%)
- International (No VAT)

**Miscellaneous Expenses**

The Entry Form for Miscellaneous requires the user to declare whether the expense was subject to VAT (i.e. the receipt includes 19%, 7% or 0% VAT/MwSt treatment). This takes the form of a simple drop-down field which is required for the user to complete that includes the following values:

- Standard (19%)
- Reduced (7%)
- Zero (0%)
- International (No VAT)

Based on the selection the system will calculate the VAT. Based on the selection of the Receipt Status the system will calculate whether the VAT is reclaimable.

**NOTE:** The user is also required to complete Comments to describe the expenditure.
Gifts <= €35

VAT is reclaimable on gifts below €35.00 (gross value) purchase (per year per person). Depending on the type of gift the VAT rate could be Standard or Reduced (the default would be Standard as this is likely to be the most common).

As we are already providing 2 separate expense types for Gifts as part of the German Template to support Taxability for Gifts over €35, the support for VAT will be as follows:

Gifts > €35

Will be placed in the Zero group as no VAT is reclaimable

Gifts <= €35

In order to assist in providing the necessary information to calculate VAT the user will be required to select from the following options in a drop-down field:

- Standard (19%)
- Reduced (7%)
- Zero (0%)
- International (No VAT)

NOTE: VAT is only reclaimable on Gifts where the total amount to the individual does not exceed €35 per recipient/per year. The template contains a warning message to the back office advising that VAT is reclaimable only if less than or equal to €35 (gross) and is also only applicable where the total cost of all gifts does not exceed €35 in any 12-month period and this is not part of a series of gifts.

Future Requirement – A report will be required via Concur Intelligence to assist with reporting for this requirement. This is a HR requirement in Germany to track the same limits for Employee Gifts, however this is additional legislation where the employee can receive other forms of gifts of up to €44 per month tax free.

Courier/Shipping/Freight and Postage

The supply of services by the public postal service which, among other conditions, are committed to provide postal services throughout Germany is VAT exempt with no right of deduction. If however the postal services are provided by a private company and VAT is charged on the invoices/receipts, VAT deduction is allowed.

In order to assist in providing the necessary information to calculate VAT the user will be required to select from the following options in a drop-down field:

- Standard (19%)
- Zero (0%)
- International (No VAT)
Expense Types without Special Handling

**Standard 19%**
- Car Maintenance & Repairs *
- Car Rental *
- Fuel
- Marketing/Promotional Expenses *
- Mobile Phone **
- Office Equipment/Hardware *
- Office Supplies/Software *
- Online Fees **
- Parking
- Printing/Photocopying/Stationery
- Professional Subscriptions *
- Relocation Expenses *
- Seminar/Course fees *
- Telephone/Internet/Fax **
- Tuition Reimbursement *

**Reduced 7%**
- Hotel (Room Rate where period of stay < 6 months) *
- Newspapers/Magazines/Books

**Zero/Exempt 0%**
- Bank Fees
- Company Car Mileage
- Currency Exchange Fees
- Fixed Lodging
- Fixed Meals
- Gifts > 35 EUR
- Laundry
- Medical Fees
- Non Reimbursable Expense
- Passports/Visa Fees
- Personal Car Mileage
- Tips/Gratuities
- Tolls/Road Charges

* Expenses where the amount exceeds €250 - VAT is only reclaimable where the Receipt/Invoice is in the Company Name. The system is pre-configured to include on the expense entry form a check box called "Invoice in Company Name". An audit rule fires if the user selects Tax Receipt and the Gross Amount exceeds €250. The rule informs the user that they must check this box to confirm that the Invoice is in the Company Name or remove the Tax Receipt selection if it is not. Tax Receipt can only be selected in conjunction with this check box. This will serve to educate users and ensure that the VAT Reclaim configuration only applies on the basis that both values are present on the Expense (where the amount exceeds €250). **NOTE:** To support this legislation for other expense types (fuel, telephone, stationary etc.) where VAT is also applicable the user will receive a warning flag where the amount exceeds €250 informing them that they should only select "Tax Receipt" where the Invoice/Receipt is in the company name.

** Telephone, Fax and Online Expenses - normally include both a business and personal element. Companies must ensure that users only reclaim the portion of the expense relating to business calls. By default Concur will not prompt users to itemize these expenses accordingly.
**Non-Domestic VAT**

**VAT Reclaim for Deployed Overseas Countries**

Currently we only configure VAT reclaim for Domestic transactions as standard. To support Non-Domestic reclaim for countries other than your home country would require configuring VAT for all possible countries of destination, which is too much work to maintain and configure.

The alternative approach should be to instruct customers that where they deploy to multiple countries (business hubs) Concur is then able to setup the Tax Conditions within each configured Tax Authority to support overseas reclaim for those countries included in the deployment. In other words, reclaiming VAT for employees incurring VAT applicable transactions overseas where the destination is one of the countries within the deployment scope can be supported. This is because the Tax Authority and Configuration for that country is already setup for Domestic Reclaim.

Example: A customer is deploying to UK, France and Germany who wants to reclaim overseas VAT. Concur will already be configuring VAT for UK, France and Germany, so an additional task is required to setup the VAT for those countries to include employees who claim transactions in either of the other 2 countries. So, a UK employee travelling to France and Germany can also have their expense tracked for VAT reclaim.

**NOTE:** The main consideration in this approach is where the entry forms for one country (UK) do not include fields used by the other country’s tax configuration. For example, in Germany there are specific data fields required to validate the VAT for Domestic employees. Provided all entry forms were setup to include all fields relevant for these expenses for any country of destination this approach could be feasible.
Exclusions
Special VAT conditions for which it is suggested we do not include special tax handling conditions.

Personal/Company Car Mileage

VAT can never be calculated from a flat mileage rate but must always be determined on the basis of actual costs justified by corresponding documents (tax invoices or receipts). Due to the complexity of this it is typical that VAT is not configured for Mileage expenses within Concur.

Office Supplies/Equipment

Although books and some printing materials are subject to the reduced rate, users should ensure that they use the Newspapers/Magazines/Books expense type to handle this.

Mobile Phone/Online Fees

Most often the telephone or internet expenses contain mixed usage for both business and personal use. VAT is only reclaimable on the business portion of the calls, based on the breakdown of the calls in each invoice. To support this as part of the template would require forcing users to itemize their telephone or internet expenses and to mark the itemized portion that is business (by selecting a check box). Reference to this check box being ticked would then be used in the Tax Reclaim conditions to determine whether the VAT is reclaimable or not. As this is not a common requirement for most companies this feature had not been included in the template, however this could be supported through a consultancy engagement if requested.
Travel Allowance

Common Practice

In the German travel allowance model, the definition of a business trip is when the employee travels further than the employee's normal trip between work and home. Reimbursement is calculated based on the duration (number of hours) the employee is away from the employee's home location during each day of the trip.

The most common method of reimbursement in Germany is fixed allowances for meals and standard lodging (no travel allowance for lodging, with actual hotel receipts reimbursed).

Our standard template for Travel Allowances includes the following additional features:

- Inclusive of Provided Meal Deductions
- Inclusive of Benefit in Kind Meal Deductions
- Option of Overnight Allowances
- Option to Itemize fixed meals/travel allowances
- Taxable Allowances for Extended Trips over 90 days

For more information please see the section Allowance Rules Overview

A report will be required via Concur Intelligence to assist with the annual reporting of Travel Allowances for employees. This must be stated on the yearly income tax form that the employer must provide.

Allowance Rates

The German government publishes the allowance amounts on an annual basis for all domestic locations and specific international countries.

NOTE: In 2020 the German government updated the domestic allowance rates as follows:

- Allowance for trips more than 24 hours = increase from 24€ to 28€
- Allowance for trips more than 8 hours up to 24 hours / partial day in a multiple day trip - increase from 12€ to 14€
- Reduction for provided meal:
  - Breakfast provided = increase from 4,80€ to 5,60€ (20% of 28€)
  - Lunch provided = increase from 9,60€ to 11,20€ (40% of 28€)
  - Dinner provided = increase from 9,60€ to 11,20€ (40% of 28€)

https://www.bundesfinanzministerium.de
All German travel allowance calculations are based on time. All meals travel allowance rates within Germany are the same for all locations but vary depending on the length of the trip. For international locations the rates vary based on Country and in some circumstances City Locations.

Partial Day allowances (First Day, Last Day, Single Day) are based on the following time bands:
- 0 up to 8 hours
- Over 8 up to 24 hours

**NOTE:** This was subject to change in 2014 – prior to 2014 the time bands were 0-8 hours; 8-14 hours; 14-24 hours.

The rules for calculating partial day allowances differ between Domestic Trips in Germany and International Locations:

**Partial Day Allowances for Domestic:**
- Up to 8 hours €0.00
- Over 8 hours €12.00

**Partial Day Allowances for International (example UK – full day €42):**
- Up to 8 hours €0.00
- Over 8 hours €28.00 (2/3)

**NOTE:** This was subject to change in 2014 – prior to 2014 the rates for Domestic Trips in Germany were (0-8=€0, 8-14=€6, 14-24=€12, Full Day=€24) and International Locations (0-8=0, 8-14=1/3rd, 14-24=2/3rd, Full Day=100%)

**Important** – in 2014 there was an addition of new legislation allowing companies to pay a partial day allowance for any first/last day of a multiple day trip no matter the number of hours travelled.

- If several countries were visited during the same day, the last country visited that day determines the travel allowance rate. This is based on the traveller’s location at 11:59 P.M.

- The day of return travel is assigned the travel allowance rate of the last foreign work location visited on that date.

- Overnight Allowance is supported for Germany, where an alternate lodging allowance can be given to the employee instead of a lodging allowance when they stay with friends & family or in other lodging arrangements other than a hotel. **NOTE:** Overnight is not active as standard, but the option exists to activate this for your Germany Travel Allowance solution.

- Provided meals can be indicated by the employee and these are deducted from the allowance. The amount of the deduction is based on the type of meal provided – Breakfast 20%, Lunch 40%, Dinner 40%

- If the price of breakfast is included in the hotel price and the amount is itemized on the hotel receipt, the employee can declare the actual amount as the deduction.

- Benefit-in-kind meals (Sachbezugswert) are those provided by the company to German employees which constitute a benefit-in-kind for tax purposes. This
includes meals such as those supplied at a company canteen or as part of a training course/seminar. Current deduction amounts for 2020 are €1.80 for Breakfast and €3.40 for Lunch or Dinner. See Reporting & Legislative for additional reporting solutions to support Benefit in Kind.

- Travel allowance is fully taxable after 3 months travel to the same location, at which point it is determined to be a regular place of work. The core German travel allowance solution includes the ability to support this, but it is not activated by default. In order to activate this to track taxable allowance the system requires both Government and Company rates to be loaded.

- The allowance amount can be reduced by a defined factor after 90 days of continuous travel within a single itinerary.

- For Night Workers (like lorry drivers) who embark upon overnight trips over two calendar dates where there is no claim for accommodation, the entire duration of the trip is considered as if during a single date and assessed based on the normal rules for time bands.

- The option exists to have fixed meals/travel allowance expenses for each day itemized to show the individual breakdown of the gross allowance amount as well as total deductions or additional overnight allowances (each as separate itemized expenses). This is to support requirements in some companies to post separate GL Account Codes to individual elements of the allowance (most commonly the additional Overnight portion).

Special Considerations

Provided Meals

The following is a consideration for some companies who wish to control the deductions for provided meals and actual meal reimbursement for trips where an allowance is claimed.

Some companies determine that the user must use the allowance to be reimbursed for any out-of-pocket meals incurred as part of their trip. In this instance there is no requirement in the Travel Allowance module to have the provided meals deduction for Lunch/Dinner 40%. This means employees should never indicate as part of the Travel Allowance itinerary that they had a provided lunch/dinner.

Provided Breakfast can be expensed separately and marked as provided. If the user has a Breakfast as part of their Hotel Bill they are permitted to expense the actual amount of the Hotel Breakfast as part of their expenses. In this instance they would check the provided meal deduction for Breakfast as part of their Itinerary. With this particular consideration the only checkbox available for a provided meal deduction would be Breakfast. In order to support this requirement for companies the following configuration updates are required:

- Deactivate the Provided Lunch check box in the TA Configuration
- Deactivate the Provided Dinner check box in the TA Configuration
Exclusions

Overnight Allowance and Hotel Check

It is currently not possible to flag to the employee, approver or processor instances of where a user attempts to claim an Overnight Allowance on the same date as a Hotel/Lodging expense. In most countries the concept of an “Overnight Allowance” is an addition to the Fixed Meals allowance for when an employee stays with Friends and Family. As Concur treats the Overnight as part of the daily meals allowances it is not possible to use the standard Exception Rule to compare a Meals expense with a Lodging expense on the same date.

The current workaround is to activate the itemization of Fixed Meals so that the Overnight amount is saved as a separate expense on the report. An audit rule can then be flagged to the approver/processor upon submission to highlight any expense reports which include both Hotel/Lodging and Overnight expenses (this will not check that they occur on the same date, only that they both exist on the claim).
Mileage Rates

Personal Car Mileage

This will be Pre-configured and maintained by Service Admin where this service has been purchased by the customer.

Generally, the employer reimburses the employee if the employee’s car is used for a business trip, based on kilometre allowances. The following amounts can be reimbursed to the employee flat-rated without documenting the actual costs:

<table>
<thead>
<tr>
<th>Vehicle Type</th>
<th>Rate Per KM</th>
<th>Per Passenger Per KM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Car</td>
<td>€0.30</td>
<td>€0.00*</td>
</tr>
<tr>
<td>Motorcycles</td>
<td>€0.20</td>
<td>€0.00*</td>
</tr>
</tbody>
</table>

It is possible to include additional vehicle types to the criteria above, however these are the most commonly used criteria for deployments in Germany.

* This was subject to change in 2014 – prior to 2014 the passenger rate was 0.02

Company Car Mileage

Reimbursement of Company Car Mileage is not a common practice within Germany and therefore is not included as part of the template solution.

**NOTE:** If a customer requires Concur to configure Company Car mileage this will be as a separate consulting engagement. Customers must provide the Company Car Mileage rates. For information on reporting requirements for Company Car Mileage please refer to the section Reporting/Legislative - Exclusions (Reports to be developed).
Reporting & Legislative

The following are examples of some of the known reporting requirements in Germany. These report specifications are not intended to be exhaustive – rather they represent a sample of common reporting requests from customers who have implemented in Germany. Each of these specifications is intended for information purposes only. Concur does not provide standard reports to cater for these specific requirements. This is mainly due to the variation in the reporting needs of many German businesses. In many cases a separate consulting/reporting engagement will be required. Alternatively, customers can use the sample information provided to assist in developing their own reports to their specifications.
Sample Report: Taxable Meals / Benefit in Kind

Meals, which are supplied by the company to German employees, are in certain circumstances considered to constitute a benefit-in-kind for tax purposes. For example, this could be a meal supplied at a company canteen paid for by in-house currency or voucher, a meal supplied as part of a training course or a meal arranged in advance by the company and paid for by the company or a third party on behalf of the company. The amounts €1.80 for Breakfast and €3.40 for Lunch or Dinner used as BIK deductions as part of the standard travel allowance solution are “flat tax” calculations against standard meal deductions. So, a typical provided lunch in Germany would deduct €11.20 and €3.40 is considered a fair representation of an average income tax percentage (roughly 30%).

A company can choose to handle benefit-in-kind meals in separate ways, but the amount must be accounted for in some way. Companies might configure the Taxable Meals (BIK) deductions as an employee incentive simply because this means that if the meal is provided by the company the employee is left with more money in their pockets. There is no real legal requirement which stops companies from just deducting the standard 20% for Breakfast or 40% for Lunch/Dinner for company provided meals, but as it is a benefit to the employee they would typically request BIK to be setup.

There are also circumstances where companies do not wish the Expense System to deduct this Flat Tax amount from the allowances, but still wish the user to indicate where a provided meal was taxable. In these circumstances is it often required for Concur to provide a Benefit in Kind report which identifies the total BIK liability of each employee based on instances where they have marked a provided meal as taxable. This report can be used where the customer either wishes to handle these deductions outside of Concur; or where Concur is managing the flat tax deductions but still wish to reconcile or report against these.

Report Specification

The Benefit in Kind report identifies the following items:

- Prompt Filter based on Transaction Date periods (typically run annually)
- Grouped by Employee Name/ID
- Total Number of Taxable Breakfast, Lunch and Dinner (Individual columns per meal type, totalled for the filter period)
- Total Taxable Deduction Amount of Breakfast, Lunch and Dinner (Individual columns per meal type, totalled for the filter period)
- Combined Total Amount of BIK Deduction (All meals for the filter period)

The report also includes fields on the Prompt page for the company to enter in the individual Benefit in Kind amounts for each meal type. This is to support variations in BIK deductions which typically change each year. This information is reported in an annual employee report provided by the employer (Lohnsteuerbescheinigung)
Sample Report: Doppelte Haushaltsführung (Double Housekeeping)

This is a general taxation rule in Germany which applies to Employees with changing or multiple regular workplaces (i.e. no single permanent place of work). This can typically relate to journeys which the employee takes on behalf of the employer where they are located for an extended period of time at a location not deemed to be a regular workplace.

The threshold number of days to determine that the employee has no permanent workplace is calculated as an average of 1 working day per working week of the year – this is considered as 46 days per year. Therefore, if the employee spends 46 days or more at an alternative place of work during the year they are then considered to have no permanent place of work. Any compensation expenses claimed by this employee can therefore be subject to Payroll Tax.

The Regular Workplace or “Double Housekeeping” rule can apply to the following:

- Domestic Meal Allowances
- Domestic Overnight Allowances
- Personal Car Mileage Allowances

Many companies in Germany require a single report to perform 2 functions:

1. Help identify employees who have incurred any of the above expenses in the same domestic location where they are approaching the 46 days for the year. This can help decide whether it is in the employee’s interest to schedule further trips to these locations, as if this can be avoided then the employee would not suddenly be subject to a large tax deduction for allowances already claimed.

2. Help identify those employees who have already exceeded 46 days in the same domestic location for Payroll Tax reporting purposes.

To achieve both any such report should contain the ability to set the number of days threshold for the report – to accommodate option 1 then this may be set to 40 for example (to catch those approaching 46 days), and for option 2 the filter would be set to 46 days.

NOTE: It is important to note that double housekeeping exists only where an employee maintains two separate dwellings and two households. For example, a room in parent’s residence may not be considered for a separate household.
Example Report Specification

The Double Housekeeping report identifies the following items:

- Prompt Filter based on Transaction Date periods (run periodically)
- Prompt Filter allowing the report user to enter in the Threshold Number of Days – the report will return a list of employees where they have claimed allowance/mileage expenses in any location which exceeds the threshold
- Grouped by Employee Name/ID
- Domestic City Location
- Number of Days count (discrete expense transaction days where a Per Diem or Mileage expense has been claimed for each location)
- Total Reimbursed Expenses for the report period (separated for Per Diem and Mileage)
- Total Combined Reimbursed Expenses for the report period

The report is pre-filtered to only count Travel Allowance/Per Diem expenses and Personal Car Mileage.
Sample Report: Company Car Mileage – Fahrtenbuch (Drivers Log)

Concur is aware that according to the tax laws in Germany there is a need to track information relating to both Business Trips and Personal Mileage when using a Company Car. If an employer does provide a company car to an employee for his private use, this is considered as a fringe benefit according to the German tax law. In addition, the use of the company car for commuting between home and work place is considered as a fringe benefit and has to be taxed with an additional amount.

It is typical that an online “Fahrtenbuch” or drivers log is made available which details the odometer readings and declaration of personal distance amounts.

The report must include the following:

- Personal Trips – all Personal Mileage Distances must also be declared
- Business Trips – must be documented with dates, times, mileage distance, destination and purpose of the trip.

In order to support the above report a separate consulting engagement will be required to ensure that the Company Car Mileage configuration is in place, and that the Entry Form used for Company Car mileage includes all of the relevant details to build the Fahrtenbuch report.
Other Known Legislative Requirements

Gifts Greater Than €35

When claiming this expense, if the amount exceeds 35 EUR then this becomes 100% Taxable and typically requires a separate account code. If it is less than or equal to 35 EUR, then it is Tax Free and uses the standard account code.

Suggestion for supporting this is to split this into 2 separate expense types

- Gifts > 35 EUR
- Gifts <= 35 EUR

Audit Rules can then be used to control the amount for each expense

- If Expense Type = Gifts > 35 EUR and amount is less than or equal 35 EUR, then RED FLAG
- If Expense Type = Gifts <= 35 EUR and amount is greater than 35 EUR, then RED FLAG
**Entertainment (Taxability)**

All Domestic/Local Entertainment expenses which include an External attendee (non-staff or business guest) are subject to 70% tax deductibility. In such cases the Entertainment expense must be split as follows:

- 70% Tax-Deductible
- 30% Non-Tax-Deductible

This can be achieved using the Taxability feature within Concur Expense. To support this requirement the Template includes the following expense types:

- Entertainment – Staff
- Entertainment – External (Domestic/Local)
- Entertainment – External (Foreign)

Where both Internal Staff and External Business Guests attend any entertainment expense the user must be instructed to book this to the Entertainment – External expense type.

An audit rule will ensure that when the user selects the Entertainment – External (Domestic/Local) expense type that the City Location is within Germany.

**NOTE: An additional consultancy engagement is required for Concur to configure the expense type “Entertainment – External (Domestic/Local)” with a 70% taxable split for the Germany Expense Policy. This will split the expense type within the Account Code Ledger into 2 values:**

- Entertainment – External (Domestic/Local) – Taxable
- Entertainment – External (Domestic/Local) – Non-Taxable

*The respective account codes for tracking the Taxable (70%) portion and the Non-Taxable (30%) portion can then be assigned to each value above.*
Expenses >€250 (Invoice v Receipt)

Entertainment

Expenses booked to Entertainment which are less than €250 only require a traditional receipt for reimbursement (Tax Receipt or Receipt). If the Entertainment expense exceeds the €250 threshold then this must be accompanied by an Invoice in the Company Name. A business reason and list of attendees are also required.

To support the above requirement the template includes the following:

- Audit Rule which fires if the Entertainment Expense exceeds €250 to force the user to select Tax Receipt and check a tick box stating that the invoice is in the company name.
- Audit Rule which fires if the Entertainment Expense exceeds €250 to force the user to enter comments (business reason)
- Attendees are required by default on all Entertainment expenses, so no additional controls are needed.
- The Attendee Form for Business Guest will set the Company field as required

Other Expenses

The Germany Template will identify those expense types where it is deemed most common that amounts may exceed €250 and where the employee could obtain an Invoice in the Company Name for the expenses incurred. These expenses will include: Hotel, Car Rental, Office Supplies/Software, Tuition Reimbursement, Relocation Expenses, Dues/Subscriptions and Seminars/Course Fees. The system will be configured to ensure that VAT Reclaim is only possible where the user selects "Tax Receipt" in combination with a declaration (tick box) that the Invoice/Receipt is in the company name.

For all other expense types, the user will receive a warning flag where the amount exceeds €250 informing them that they should only select "Tax Receipt" where the Invoice/Receipt is in the company name.