

## Travel and accommodation expenses

In Luxembourg, the tax-deductible travel and accommodation expenses reimbursed to employees who incurred them whilst travelling on business are based on the following principles:

- The expenses may be either actual expenses incurred, with receipts, or lump sum expenses;
- The lump sum expenses allocated to employees may not exceed the reimbursements received by a Luxembourgish civil servant in the same situation;
- The allowances must be proportional to the actual expenses. They may under no circumstances constitute disguised remuneration.

The reimbursement of actual expenses backed by receipts requires no particular comments.

The lumped sum allowances, on the other hand, are strictly circumscribed in Luxembourg and explained below.

- **Lump sum reimbursement of travel expenses for business trips**

Travel expenses refer to all costs incurred by the employee in the performance of his occupational tasks, i.e. transport and ancillary costs. The following are generally accepted:

- Train: 1<sup>st</sup> class
- Plane: in Europe, economy; outside Europe, business class
- Employee's personal vehicle: €0.30 per kilometre irrespective of the mileage covered and the cylinder capacity of the car

- **Lump sum reimbursement of accommodation expenses for business trips**

The lump sum reimbursement of accommodation expenses for business (per diems) includes a day allowance and a night allowance. The amounts of per diems depend on the country where the employee travels.

The day allowance covers all the employee's meals when travelling on business. It is granted per full day commenced during which the employee is travelling. No receipt is required for the allocation of this allowance.

The night allowance covers the price of the hotel room, breakfast, tipping and all related charges. Although it is a lump sum allowance, the full night allowance can be allocated only upon production of a receipt for the expenses incurred. In the absence of a receipt, only a partial allowance, equal to 20% of the full allowance, may be granted with exemption of taxes and social security charges.

A few examples of the amounts of day and night allowances are provided below:

Country/City	Day allowance	Night allowance
Luxembourg	14€	56€
Belgium	50€	150€
Brussels	60€	220€
France	60€	170€
Paris/Strasbourg	60€	250€ / 230€
United Kingdom	70€	200€
London	90€	270€
Germany	60€	195€
Berlin/München	60€	200€

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