



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: 1st 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 €	160 €
Brussels	60 €	250 €
France	60 €	170 €
Paris / Strasbourg	60 €	250 € / 240 €
United Kingdom	70 €	200 €
London	90 €	280 €
Germany	60 €	195 €
Berlin / München	60 €	220 €

For countries holding the Presidency of the Council of the European Union, **the ceiling amounts of the night allowance are increased by 10 per cent** for the duration of the Presidency.

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