

Information on payroll accounting

Resolution on the 9 euro ticket

June 2022

What impact does the 9 euro ticket have on payroll accounting? What needs to be considered and what do companies need to do?

Everyone is talking about the 9 euro ticket. After the Bundesrat gave the green light, sale of the tickets started on 23 May 2022. There are several reasons for the launch of the 9 euro ticket. First, the ticket is to support local public transport systems that were badly affected by the slump in fare revenues due to the Covid-19 pandemic. Second, the ticket serves to provide a short-term cushion to citizens against the high burden resulting from rising costs for electricity, food, heating and travel following Russia's attack on Ukraine. Third, the measure is to create an incentive to switch to local public transport.

But what does the 9 euro ticket mean for payroll accounting? Nothing – provided the employer does not contribute to the travel costs of employees from home to their primary place of work. However, if the employer grants job tickets to employees (benefit in kind) or travel allowances for public transportation (payment in cash), the relevant adjustments need to be made to payroll accounting for the months June to August and decisions need to be made by the company. Furthermore, there may be a need for action if the employer refunds employees for travel costs only up to the amount of the cost for a ticket for local public transport. If this is the case, the refund amount will need to be considerably reduced due to the cap on the ticket amount. For employees who use their own vehicle, this can lead to a significant reduction. In this case, the employer needs to decide on the handling of the respective rules for the months of June to August.

In general, the 9 euro ticket also applies to season ticket holders. Here, the season ticket price will be automatically reduced by the transport company or the difference will be offset in subsequent months. This also applies for job tickets. The reduction in price also needs to be considered as part of payroll accounting as both the [tax-free](#) and the [15%](#) or [25%](#) flat-rate taxed allowances for job tickets need to be declared with the correct amounts in the payroll account and, in some cases, also in the certificate for payroll tax deduction. With the circular dated 30 May 2022, the tax authorities granted a practical expedient with regard to the [tax-free allowances](#) for tickets for public transport. This expedient states that the amount of tax-free allowances in the months of June, July and August 2022 will not be contested provided the allowances do not exceed the expenses of the employees for the year as a whole. This means that employers granting employees a 100% allowance should adjust the amounts for all employees in the payroll accounting programme for the months June to August 2022. The same applies for [flat-rate taxed allowances](#) that were not explicitly mentioned in the tax authorities' circular.

In addition, companies that provide employees with job tickets at a reduced price or free of charge as part of conversion into cash payment should check the extent to which the reduced price had an impact on the [tax-free threshold of EUR 50](#). By way of reminder: all benefits in kind received in one month are to be aggregated for the application of the EUR 50 threshold. Provided the amount does not exceed EUR 50, the benefit in kind remains free of tax.

The subject of the correct handling of travel allowances in payroll accounting is not trivial and has been recognised as such for years. In this respect, the 9 euro ticket adds a new dimension that needs to be woven into this construct. If you need assistance with this thorny new issue, please get in contact with us and arrange an appointment for concise advice.

Please do not hesitate to contact us if you have any questions. Get in touch.

Contact

KPMG AG
Wirtschaftsprüfungsgesellschaft

Heike Strissel
Director, Tax
T + 49 69 9587-2106
hstrissel@kpmg.com

Torben Liedtke
Manager, Tax
T + 49 251 59684-8583
tliedtke@kpmg.com

Marcel Pohl
Manager, Tax
T +49 69 9587-4793
marcelpohl@kpmg.com

www.kpmg.de

www.kpmg.de/socialmedia



The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2022 KPMG AG Wirtschaftsprüfungsgesellschaft, a corporation under German law and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under licence by the independent member firms of the KPMG global organisation.