

Information on payroll accounting

Vouchers – benefit in kind or monetary payment?

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Supplement to guidance to clarify practice issues clearly illustrates the complexity of this issue. A compact summary can be found below.

Modern, transparent and performance-oriented remuneration management is an important instrument in the battle to win new employees and retain them within the company over the long term. In this regard, monetary remuneration components (e.g. salary, supplements, bonuses) are supplemented by a range of benefits in kind (e.g. company car, meal allowances, health services, fuel cards, vouchers). Close attention needs to be paid especially to benefits in kind for payroll accounting. In general, income that does not consist of money is to be stated at [customary final prices at point of delivery](#). Explicit provisions apply for the taxation and contributions for company cars and meal allowances. The tax authorities have particularly focused on the provision for vouchers in recent years and the threshold of EUR 50 (until 2021: EUR 44) for benefits in kind in the calendar month that is sometimes related to this.

In this regard, vouchers and prepaid cards that may be used solely to purchase goods and services and meet the criteria of Section 2 (1) no. 10 of the German Payment Services Supervision Act [ZAG] are deemed benefits in kind provided they are granted as supplement to the wage/salary already due, whereas monetary benefits for a specific purpose, subsequent cost refunds, money substitutes and other benefits determined in a monetary amount are assessed as monetary payments and thus subject to tax.

In order to demonstrate the distinction between monetary payment and benefit in kind, the tax office has already provided a detailed opinion in its [BMF circular dated 13 April 2021](#). Owing to a variety of uncertainties arising in practice, the opinion was [selectively supplemented](#) on 15 March 2022.

For instance, by way of illustration clarification was given that vouchers that may be used to purchase goods and services at a limited group of points of acceptance in Germany are to be assessed as benefits in kind. The supplement to the opinion clarifies that internet shops of domestic, urban and regional purchasing and service associations also count as a limited group if they are directly limited to neighbouring double-digit postal code areas (PLZ) in terms of territory. For this reason, there are no objections if the employee makes the selection from these PLZ areas.

The supplement to the BMF guidance provides a response also to other relevant uncertainties. Nevertheless, the guidance also shows the complexity of the issue and demonstrates that it is advisable to consider the introduction and use of voucher models in in greater depth. We are happy to support you in this regard. Please do not hesitate to contact us.

Vouchers as benefit in kind (according to Section 2 (1) no. 10 ZAG)

- Limited network of service providers (e.g. Citycards)
- Limited range of services or goods (e.g. fuel cards)
- Social and tax purposes (e.g. luncheon vouchers)

Vouchers as monetary payment

- Voucher with cash payment function
- Voucher has its own IBAN
- Voucher to buy cryptocurrencies
- Voucher for (online) marketplaces



Practice tips on the EUR 50 benefit-in-kind threshold

- In exhausting the EUR 50 (gross) benefit-in-kind threshold, it is essential to ensure that there are no other benefits in kind subject to deduction.
- Green light is given for provision and set-up fees. These are not taken into account.
- By contrast, shipping costs for delivery of the benefit in kind are considered.
- Vouchers of up to EUR 50 as benefit in kind are only possible in addition to the wage/salary due.

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

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