**What are Travel Expenses?**

* Costs directly related to business trips outside the employee's regular work location.
* Includes:
	+ Transportation costs
	+ Additional board expenses (beyond usual meals)
	+ Overnight expenses
	+ Incidental travel expenses

**What is a Business Trip?**

* Out-of-office work activities requiring temporary relocation.
* Trips within the employee's service territory (regular work area) don't qualify.
* No reimbursement for meals, overnight stay, etc., for commuting from the main office to a regular work location (e.g., employee's home).
* See Annex (not included here) for detailed service territory definition.

**What is the First Place of Work?**

* The employee's permanent work location assigned by the company.
* Factors determining the first place of work:
	+ Permanent work assignment
	+ Duration of employment contract (longer than 48 months)
	+ Labor law specifications (daily work location, minimum time spent)
	+ An employee can only have one first place of work per contract.

**Travel Expense Management:**

* Cost-effectiveness is emphasized.
* Minimize unnecessary expenses.
* Prioritize public transport (train preferred) and economical routes.
* Choose appropriate board and lodging options.
* Use private vehicles only as a last resort, considering time, cost, and space.
* Taxis are discouraged, except for urgent situations with limited public transport options.

**Combining Business and Personal Travel:**

* Generally not allowed.
* Exceptions for international trips require prior approval and only official expenses are reimbursed.

**Spouses/Companions on Business Trips:**

* Personal expenses for spouses or companions are not covered by the company.

**Approval Process:**

* A formal approval process is not required.
* Approval is assumed if the traveler and their supervisor agree on the business trip and expense reimbursement.
* Individual Group companies determine which managers can approve employee trips.
* This applies to situations like travel route changes even with verbal approval (travelers are still insured).

**Acceptable Booking Tools:**

* Use the Group's travel agent and travel benefits services first.
* The travel agent is obligated to provide the most cost-effective options.
* If electronic booking options are available and cost-effective (e.g., online booking tools for trains, hotels, car rentals), they must be used.
* Accommodation should generally be booked online through the group hotel portal or the travel agent.
* Exceptions exist:
	+ Pre-arranged, economical packages (training/conferences)
	+ Special circumstances (unforeseen accommodation needs during the trip)

**International Business Trips:**

* Group companies must ensure timely completion of country-specific notification procedures (e.g., EU registrations, A1 certificates).

**Occupational Health and Safety:**

* Group companies must comply with occupational health and safety regulations.
* This includes assessing travel hazards and considering travel warnings issued by relevant authorities.
* If assistance services are needed, prioritize using Group-affiliated providers.

**Travel Expense Statements:**

* Reimbursement requires a completed travel expense statement with all relevant details and original receipts attached.
* Electronic receipts are accepted for expenses billed through SAP Concur.
* Receipts must comply with tax regulations for business expense and input tax recognition.
* Reimbursement is typically cashless.
* Unexplained expenses require justification and employee-signed vouchers.
* Foreign currency conversions are based on exchange receipts or official rates.
* Foreign currency conversion fees for credit card use are reimbursed at market rates.
* Travel expense statements require approval by a line manager with signing authority.

**Transportation Costs:**

* Train travel: Second class is preferred, with first class requiring supervisor approval and justification.
* Use available discounts and online booking tools (Deutsche Bahn preferred).
* The company retains Deutsche Bahn reward points for business use (free trips, upgrades) or donations aligned with company sustainability goals. Private use is prohibited.
* Air travel:
	+ Economy class with discounts is mandatory for flights within Europe, Turkey, and western Russia.
	+ Business class is allowed for other flights, requiring approval for exceptions.
	+ Early booking is encouraged for best rates. The company travel agent and online booking systems identify the most economical options.
	+ Flight selection prioritizes partner airlines chosen by Salzgitter AG, with reasonable waiting times expected.
	+ The traveler cannot choose their preferred airline.
	+ The company retains airline reward points/miles (e.g., Miles & More) for business use (free flights, upgrades) or donations aligned with company sustainability goals (e.g., carbon offset)

**Private Vehicles**

* Employees using private vehicles are reimbursed the maximum tax-free amount per kilometer driven.
* When applying for commuting allowances on a tax return, the number of working days certified by the employer must be reduced by days spent on business trips, working from home, or traveling within the service territory. Employees must ensure

**Car Hire**

* Car hire is only permitted when:
	+ Public transport is unavailable.
	+ Other transportation alternatives are not economical.
* Authorized car rental companies will be specified by the HR and Social Policy department (SZAG PS) through an Executive Order, based on recommendations from the Procurement department.
* The Group CFO will be informed before any changes to car rental partners.
* Hired cars must be booked through the framework agreements between Salzgitter AG and the authorized car rental companies.
* Select the most economical car category for your needs.

**Driver Requirements**

* A valid driver's license for the destination country is mandatory for driving a hired car.
* Group companies must ensure employees have valid licenses before authorizing car rentals.
* Employees collecting a delivered car must receive proper instructions on vehicle use before the business trip.

**Rental Process and Payment**

* Present a company customer card (or employee ID if unavailable) when hiring a car.
* Invoices are made out to the respective Group company.
* Return hired cars with a full petrol tank to avoid extra charges.

**Credit Cards**

* Group companies offer free credit cards for business travel expenses.
* Use the credit card for all payable business expenses during the trip.
* Anonymous spending statistics will be used to inform hotel contracts.
* Reimbursement is made directly to the employee's account (no advance payments for credit card holders).
* Advance payments may be available for employees without credit cards.

**Insurance**

* Group companies are encouraged to take out Group accident insurance, luggage insurance, and international health insurance.
* Utilize existing Group framework agreements for new insurance coverage.
* Expiring individual insurance policies should be reviewed for inclusion in Group agreements.
* The respective Group company will handle damages to hired or private vehicles during official use according to legal regulations.

**Other Reminders**

* Reimbursable incidental costs include documented business-related expenses such as entertaining clients, parking fees, luggage storage, and business meals. Telephone card purchases are not reimbursed. Receipts with contact details are required for claiming phone charges.
* Domestic business trips receive flat-rate allowances for additional board expenses. Refer to Executive Order No. 1 for current rates. Absence periods for multiple business trips on one day are calculated cumulatively.

**Three-Month Cut-Off Period**

* Flat rate allowances are not applied to:
	+ Single-day business trips within the service territory (as defined in the Annex, not included).
	+ Trips to attend company-organized events.
* For extended assignments at the same external workplace:
	+ Flat rate allowances only apply for a maximum of three months.
	+ "Same external workplace" means the employee is present there for at least three days per week.
	+ The three-month period starts when the employee is at the external location for more than two days a week.
	+ The three-month period resets after an interruption of at least four weeks.

**International Business Trips**

* Similar to domestic trips, flat-rate allowances are used for additional board expenses on international trips. Rates are specified in Executive Order No. 2.
* Determining Daily Allowances:
	+ One-day trips: Allowance is based on the last location visited abroad.
	+ Trips spanning multiple countries:
		- Departure/Return Day (no business activity): Allowance based on location reached before midnight local time.
		- Departure/Return Day (with business activity): Allowance based on last place with activity abroad.
		- Days In-Between: Allowance typically based on the last location reached before midnight.
* Special Cases:
	+ Unlisted Countries: Use allowance for Luxembourg.
	+ Overseas/Extra-Regional Territories: Use home country allowance (unless listed in Executive Order 2).
* Air Travel:
	+ Country is deemed "reached" upon landing (stopovers excluded, except for overnight stays).
	+ Flights exceeding two days: Daily allowance for Austria applies between departure and landing.
* Sea Travel:
	+ Daily allowance for Luxembourg applies, along with rates for embarkation and disembarkation ports.

**Important Note:** The three-month cut-off period applies to international assignments as well.

**Taxation of Meals on Business Trips**

* Meals provided by the employer (or commissioned by them) during a business trip are considered a taxable benefit.
* Employees can offset this benefit by reducing their board expense flat rate allowances:
	+ Breakfast: Reduce allowance by 20%.
	+ Lunch/Dinner: Reduce allowance by 40% each (minimum 0€).
* This reduction applies even if the employee doesn't take the meal or it costs less than the reduction amount.
* Meals offered free of charge during travel (e.g., flights) are also considered employer- provided.

**Taxation for Short Trips (under 8 hours)**

* If the business trip is less than 8 hours and no flat rate allowances apply, meals may be taxed based on their actual value (up to €60 per meal).
* Flat rate taxation options should be used whenever possible.

**Meals Exceeding €60**

* Meals exceeding €60 are always taxed based on their full value.

**Entertainment on Business Trips**

* Entertainment arranged by the employer is not taxed, but still reduces board expense allowances.
* Entertainment by a business partner does not affect allowances.

**Important Note:** These meal taxation rules apply to both domestic and international trips.

**Overnight Expenses**

* Overnight stays are only reimbursed if necessary due to trip duration or type.
* **Hotel Booking:**
	+ Use Salzgitter Group's framework agreements and Travel Management Compendium for booking hotels.
	+ Utilize the best rates offered by the designated travel agent.
* **Reimbursement Rates:**
	+ Overnight stays in Germany and abroad are reimbursed at the maximum tax-free flat rate (Executive Order 1, Item 2). This applies unless:
		- The employer provides free accommodation.
		- Accommodation is arranged by a third party with whom the employer has a contractual relationship.
		- The overnight stay involves a flight or sleeper train (receipts required).
	+ Higher claimed amounts require receipts showing VAT (domestic).
* **Payment and Receipts:**
	+ The employer reimburses hotel costs (accommodation and breakfast) if booked in the employer's name. This applies when:
		- The employer or someone acting on their behalf books the stay (including the traveler).
		- The stay complies with labor law and is reimbursed by the employer.
		- The invoice is addressed to the employer.
	+ Invoices must show separate VAT amounts for accommodation, breakfast, and any incidental cost packages.

**Taxation of Meals on Business Trips**

* Meals provided by the employer (or commissioned by them) during a business trip are considered a taxable benefit.
	+ Employees can offset this benefit by reducing their board expense flat rate allowances:
		- Breakfast: Reduce allowance by 20%.
	+ This reduction applies even if the employee doesn't take