Changes in rules for settlement of travel expenses

February 2013

New regulations concerning business trips go into force in Poland on 1 March 2013. The existing regulations, which are separate for domestic and foreign business trips, are being consolidated and replaced by a single legal act, the Regulation of the Minister of Labour and Social Policy of 29 January 2013 on Amounts Payable to an Employee of a State or Local Governmental Budgetary Unit for Official Travel (Dz.U. 2013 item 167).

The regulation increases the amounts of the per diem payable to employees and also introduces new rules, such as a limit on the costs of lodging in Poland and a list of reimbursable expenditures. It should be borne in mind that unless otherwise provided by internal rules, all employers with their registered office in Poland will be required to comply with the regulation, which may make it necessary to adjust internal rules governing business travel accordingly.

The key changes under the new regulation are as follows:

- **Increased per diem payments to employees**

From 1 March 2013, an employee will be entitled to a per diem for domestic travel of PLN 30 (previously PLN 23), and for foreign travel an amount depending on the country, e.g. EUR 49 per day for travel to Germany (previously EUR 42). For many countries, the limits on amounts for lodging are also being raised, e.g. in Germany from EUR 103 per night to EUR 150.

- **Establishment of a maximum limit for lodging costs reimbursable to an employee for domestic travel**

This amount has been set at 20 times the per diem, i.e. PLN 600. However, in individual cases the regulation permits the employer to approve and reimburse higher costs.

- **Clarification of certain issues and solutions used in practice and support for them in the regulations**

For example, from 1 March 2013, in the case of a domestic trip lasting less than 8 hours during the day, the employee will not be entitled to a per diem. Payment of an advance against necessary costs of business travel (at the request of the employee in the case of domestic travel) must be based on a preliminary calculation of the costs of the trip.

- **Introduction of a list of reimbursable expenses**

From 1 March 2013, an employee will be entitled to seek reimbursement only of costs incurred during the course of a domestic or foreign business trip which are included in the list of reimbursable expenses. These include, for example, fees for baggage, expressways and parking. However, the employer is also permitted to treat other necessary expenses as reimbursable if they are directly connected with the employee’s business trip.

- **Expansion of employer’s right to specify the mode of transport for domestic or foreign travel**

Under the new regulation, the employer has the right to specify not only the appropriate means of transport, but also the type and class.

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