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Inflation bonus / Teuerungsprämie

For the calendar years 2022 and 2023, the possibility of an inflation bonus exempt from taxes and contributions was introduced for employees. Inflation bonus are payments that are granted to employees to provide relief from the effects of rising costs of living (inflation).

The exemption relates to all wage taxes and contributions (wage tax, social security, payments to the employee severance fund, the employer contribution (DB), the surcharge to the employer contribution (DZ) and municipal tax).

Employees have no legal right to this. It is up to the company to decide whether and how much inflation bonus they will provide.

The inflation bonus is exempt from taxes and contributions yearly up to € 2,000.00 per employee. Inflation bonus to this extent can be granted individually, e.g. only granted to some employees and/or in different amounts. However, it is necessary to avoid non-objective differences. Labor law prohibitions of discrimination must be observed.

The maximum amount increases to a total of € 3,000.00 per employee if the payment is made on the basis of a "wage-forming regulation".

A "wage-forming regulation" means in particular if the inflation bonus

- is prescribed by the collective agreement, or
- is granted to all employees of the company, or is granted to an objectively definable group of employees
- (e.g. to all white-collar workers, to all manual workers, to all sales representatives, etc.).

The inflation bonus must be additional payments that have not usually been granted before. The transformation of

income and benefits can therefore be more harmful for the purposes of exemption (e.g. if it is provided instead of a part of the salary or the previously usual annual bonus).

If in the calendar years 2022 and 2023 both a profit sharing pursuant to Section 3 (1) No. 35 Austrian Income Tax Act (EStG) 1988 and an inflation bonus are paid out, these are only tax-free up to € 3,000.00 per year. If this sum is exceeded, the remaining amount is subject to wage tax and contributions.

A tax-free profit sharing can be treated retrospectively as an inflation bonus in the calendar year 2022.

Family bonus PLUS – retrospective increase

- The increase of the FABO Plus originally planned for 1 July 2022
- from € 125.00 to € 166.68 (for children under 18),
- from € 41.68 to € 54.18 (for children over 18)
- has now been raised retrospectively as of 1 January 2022, to a maximum of € 2,000 or € 650 per calendar year.

Relationship between the lump-sum commuter allowance (Pendlerpauschale) and the Öffi-Ticket

With effect from 1 January 2023, there will be a change in the relationship between the lump-sum commuter allowance and the Öffi-Ticket.

If the employer bears the costs for the Öffi-Ticket, the lump-sum commuter allowance is reduced by the contribution borne by the employer.

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For the rest of 2022, the current 'all - or - nothing' rule will remain valid. This means that for the period till 31 December 2022, the lump-sum commuter allowance and commuters euro (Pendlereuro) will be completely lost every time the employer bears the costs of the Öffi-Ticket.

Home office abroad

Employees who work in Austria and live abroad are generally subject to Austrian social insurance. However, working from home can lead to a change in belonging to social security scheme. The special regulation due to the corona crisis was extended until 31 December 2022.

Tax exemption for charging company electric cars from 2023 - planned

From 1 January 2023, reimbursement of costs by the employer to the employee for charging at external charging stations as well as bearing the costs for a charging station at the employee should no longer constitute a taxable benefit.

Probable values of social contributions for 2023

Anyone who wants to plan for next year with the new values

can find the most important changing (probable) values for the year 2023 here:

Limit for the so called „Geringfügigkeit“ per month	500,91€
Employer's contribution - limit for lump-sum	751,37€
Maximum contribution basis (HBGL) – HBGL per day	195,00€
HBGL per month	5.850,00€
HBGL for so called freie Dienstnehmer (DN) without extra payments	6.825,00€
HBGL for extra payments for employees and so called freie Dienstnehmer	11.700,00€