

Employment Tax

Update on the inflation compensation premium

The "Act on the Temporary Reduction of the Value Added Tax Rate on Gas Deliveries via the Natural Gas Network", which is the basis for the inflation compensation premium, has meanwhile been promulgated in the Federal Law Gazette on 25 October 2022; it will come into force retroactively as of 1 October 2022.

At the same time, the tax-privileged payment period of the inflation compensation premium was specified and regulated in § 3 no. 11 letter c EStG. Accordingly, "benefits granted by the employer **in the period from 26 October 2022 to 31 December 2024** in the form of subsidies and benefits in kind to mitigate the increase in consumer prices" are tax-exempt up to an amount of 3,000 euros.

In addition, we refer to our Newsflash on the above-mentioned matter of 9 October 2022. We would also like to point out that an FAQ from the Federal Ministry of Finance (BMF) is to be published soon, which will address individual questions.

The contact persons of the PwC employment tax team look forward to exchanging views with you.

About us

Your contact persons

Berlin

Sabine Ziesecke
phone: +49 30 2636-5363
sabine.ziesecke@pwc.com

Hamburg

Sven Rindelaub
phone: +49 40 6378-1439
sven.rindelaub@pwc.com

Frankfurt a.M., Stuttgart

Stefan Sperandio
phone: +49 69 9585-5160
stefan.sperandio@pwc.com

Düsseldorf

Hannes Zug
phone: +49 40 6378-2402
hannes.zug@pwc.com

München

Prof. Dr. Nikolaus Kastenbauer
phone: +49 89 5790-5160
nikolaus.kastenbauer@pwc.com

Editorial

If you have any questions, comments or remarks about the newsletter, please do not hesitate to contact our editorial team. We look forward to your feedback.

Britta Ludwig

phone: +49 211 9817432
britta.ludwig@pwc.com