HRF005

Business expenses deduction for voluntary severance payments

The Administrative Court made the decision that voluntary severance payments will be no longer deductible for corporation tax purposes, thus also to those paid out as part of social plans. Voluntary severance payments to employees who are subject to the new severance payment law are therefore not entirely covered by this ban on deducting business expenses, but only to the extent that they exceed the amount limits for the preferential wage taxation of voluntary severance payments set out in paragraph 67(6) of the Austrian Income Tax Act. The referred regulation is therefore only relevant for the purpose of deducting business expenses (but not for the purpose of the preferential wage taxation at 6%).

Solution Description

This HRFORCE-Solution provides a calculation of business expenses deductions for voluntary severance payments at the push of a button.

All legal limitations, such as the annual quarterly income taxation and the twelfths rule graduated according to the proven length of service, are automatically considered.
The result will be presented in a configurable standard list (ALV).

Implemented Functionalities

Full configurability of the key figures
In customizing tables, customer and standard wage types may be assigned to the individual key figures

Extension of the standard list with customer fields
Any fields and values from master data and payroll results are available to be added to the result list.

Detailed view of the calculation
Full traceability of the calculation

Programmable USER exits
Several USER exits are available where you may fulfil your company-specific requirements.

Client Advantages

Automated calculation process along legal and company-specific requirements

Significant time saving compared to manual data provision and calculation

Detailed presentation of the key figures and listing of the considered data

Possibility of expansion according to operational requirements

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