



Czech Republic Expense Reimbursement Procedure

This document outlines the expense reimbursement framework in the Czech Republic, including eligible expense types, reimbursement conditions, and required documentation. All policies are based on the Czech Income Tax Act (Zákon o daních z příjmů) and Native Teams' internal procedures.

Statutory amounts below are the 2026 rates and change every January.

Eligible expenses

If clearly related to business activities, the following categories may be reimbursed:

- ◆ **Travel expenses – transportation, accommodation, domestic and foreign per diems, mileage for private car use**
- ◆ **Work-related purchases** – laptops, software, headphones, tools.
- ◆ **Client & business entertainment** – meals with clients or colleagues in restaurants or cafés.
- ◆ **Remote work (home office) costs** – electricity, internet, heating, or a statutory lump sum, if agreed in writing
- ◆ **Cash meal allowance (stravenkový paušál)** – as an alternative to meal vouchers
- ◆ **Non-cash employee benefits** – health, leisure/sport/culture, and pension or life insurance contributions
- ◆ **Other expenses** – such as exam fees or subscriptions directly linked to work duties.

Reimbursement conditions

Expenses may be reimbursed only if they are directly related to business activity and adequately documented. The following categories are typically non-taxable:



1. Business travel expenses

- Public transport, taxi, and air travel.
- Use of private car (mileage and fuel) – tax-free at the statutory rate of 5.90 CZK per km plus fuel, reimbursed either against fuel receipts or at the average fuel prices set by decree; any higher rate is taxable on the excess
- Accommodation (reasonable cost) – reimbursed at documented actual cost; there is no fixed statutory cap, but an invoice or receipt must always be attached.
- Domestic per diem (based on duration, within statutory limits) – 2026 statutory rates: 155 CZK for 5–12 hours, 236 CZK for 12–18 hours, and 370 CZK for trips over 18 hours. A free meal provided during the trip (e.g. hotel breakfast, conference lunch) reduces the per diem by 70% (5–12 h trips), 35% (12–18 h) or 25% (over 18 h) per meal; two free meals on a 5–12 h trip, or three on a 12–18 h trip, reduce the per diem to zero.

- Foreign per diem – set per country under Decree 489/2025 Sb. (e.g. Germany EUR 50, Slovakia EUR 40, USA USD 70 per day). The entitlement is 1/3 of the daily rate for 1–12 hours abroad, 2/3 for 12–18 hours, and the full rate for over 18 hours, with the same meal-based reductions as domestic trips. Tax-free pocket money (kapesné) of up to 40% of the per diem may also be provided; exact border-crossing times must be recorded.
 - Temporary relocation costs (if reassigned to another location).
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2. Work-related expenses

- Job-related education or training.
 - Work tools (e.g., laptop, phone) – must be necessary and either returned or owned by the employer.
 - Wear-and-tear compensation – tax-free reimbursement for using your own equipment (phone, laptop, keyboard, etc.) for work, if agreed in advance and set at a reasonable, justifiable amount
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3. Home work costs

- Electricity, internet, or rent – only reimbursable tax-free if based on actual usage or a formal lump-sum agreement.
 - Two conditions must be met first: the employment contract or a written remote-work agreement must state the home/remote work location, and it must explicitly state whether remote-work cost compensation is paid. Where agreed, compensation is tax-free either as documented actual costs or as a lump sum of 4.70 CZK per started hour of remote work; any amount above the lump sum is taxable.
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4. Client & business entertainment

- Meals and local transport (e.g. taxi to meetings) – only if clearly justified.
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5. Cash meal allowance (stravenkový paušál)

- As an alternative to meal vouchers, a cash meal allowance is tax-free up to 129.50 CZK per shift (2026), provided the shift is at least 3 hours, and the employee is not receiving a per diem for that day. A second tax-free allowance is possible for shifts longer than 11 hours. Any amount above the limit is taxed as salary.
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6. Non-cash employee benefits

- Health-related benefits – tax-free up to 48,967 CZK per year (2026)
 - Leisure benefits (sport, culture, recreation, education) – tax-free up to 24,483.50 CZK per year (2026); benefits provided to family members count toward the same limit
 - Employer contributions to pension, life insurance, or the DIP (long-term investment product) – tax-free up to 50,000 CZK per year in total
 - From 2026, a benefit cannot substitute for part of the agreed salary; if it does, the tax exemption no longer applies
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7. Not reimbursable / treated as taxable income

- Personal goods or services.
- Flat-rate allowances without proof
- Any amount exceeding statutory limits (per diem, mileage).
- Reimbursements that are, in substance, hidden salary, e.g. a regular monthly "allowance" with no link to actual expenses

Under what conditions can these expenses be reimbursed?

To remain tax-exempt, expenses must meet the following conditions:

- Must have a clear business purpose.
- Must comply with internal policy and legal requirements.
- Documentation is mandatory, including:
 - Receipts, invoices, boarding passes, tickets;
 - Travel order (for business trips);
 - Written justification (purpose, dates, participants).
- Must respect legal limits:
 - Per diem: only tax-free up to state-regulated daily rates (domestic: 155 / 236 / 370 CZK by trip length; foreign: per-country rates);
 - Mileage: reimbursed at official per-km rate plus fuel or lump sum (5.90 CZK/km + fuel);
 - Accommodation: must be appropriate – luxury hotels may be questioned;
 - Home office: actual usage supported by bills or a predefined lump sum agreement (4.70 CZK per started hour).
 - Cash meal allowance, remote-work lump sum, and benefit contributions: only tax-free up to the statutory annual/per-shift caps set out above.

If any of the above conditions are not met, the reimbursement may be treated as taxable income and subject to income tax, social contributions, and health insurance.

Documentation requirements

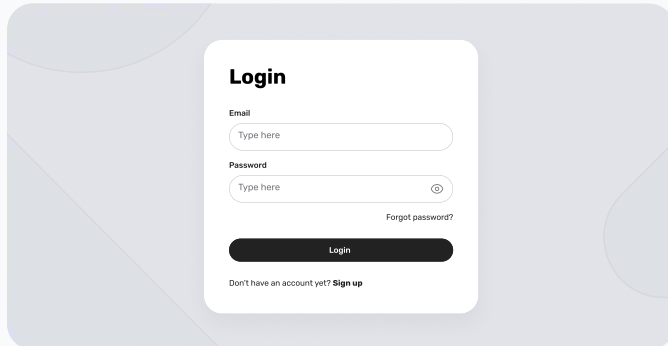
To ensure reimbursement approval, submit the following:

- Receipts/invoices – Must show date, vendor, service/item, and amount.
- Travel order – Required for all business trips.
- Expense justification – Purpose, destination, attendees, and trip duration.
- Supporting documents – Boarding passes, hotel invoices, transport tickets.
- Home office – Utility bills or signed agreement if using a lump sum.
- Timing – Submit all documents within 10 working days of the end of the trip; the employer settles the claim within 10 working days of submission. Claims submitted after the monthly payroll deadline are processed in the following month's payroll.

All documents must be submitted digitally through the platform.

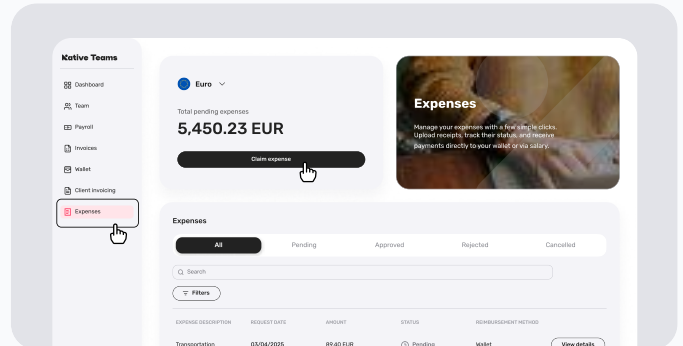
Expense Submission Process

Submitting via **Native Teams** Platform



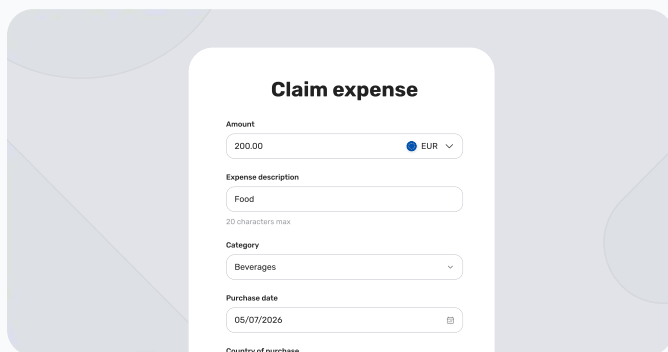
STEP 1

Log in to your Native Teams account.



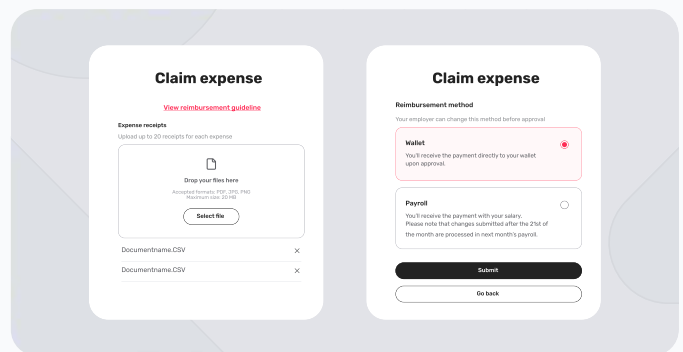
STEP 2

Click on the **Expenses** section on the left side menu and then on the **Claim expense** button.



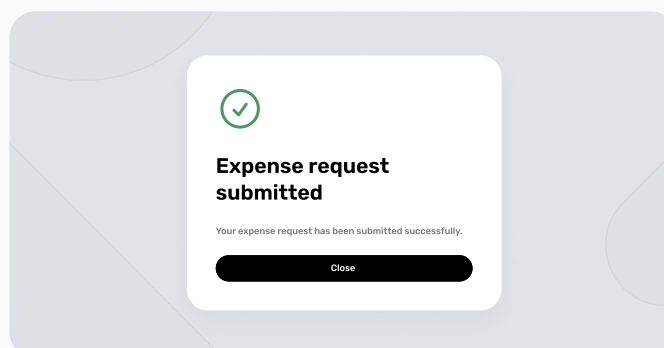
STEP 3

Fill in the required fields for the amount, expense description, category, purchase date, and country of purchase.



STEP 4

Attach a proof and select your reimbursement method: wallet or payroll.



STEP 5

Submit the claim and wait for your employer's approval of the reimbursement.

! Submission deadlines

- All expense claims must be submitted by the **10th of the month** to be processed in the same payroll cycle.
- Claims submitted after the 10th will be included in the following month's payroll.
- If the 10th falls on a weekend or public holiday, the deadline will be brought forward to the previous working day.

Native Teams legal entity - Czech Republic



◆ **Entity name:** Native Teams Limited S.R.O

◆ **Registration number:** 174 34 289

◆ **Registered address:** Korunní 2569/108, 101 00 Prague 10

Native Teams

For any questions regarding expense reimbursements, please
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