

I. In the Official Gazette no. 1139 of December 15, 2023, GEO no. 115/2023, regarding some fiscal-budgetary measures in the field of public expenses, for fiscal consolidation, combating fiscal evasion, for the modification and completion of some normative acts, as well as for the abrogation of some deadlines.

Below we will briefly present the most important changes in the field of labor relations:

✚ Social health insurance allowance (medical leave allowance):

- Social health insurance allowances, granted on the basis of Government Emergency Ordinance no. 158/2005 regarding holidays and social health insurance allowances, is included in the basis for calculating the social health insurance contribution in the case of natural persons who earn income from salaries or similar to salaries; **The exception is maintained** for temporary incapacity for work granted following work accidents or occupational diseases, based on Law no. 346/2002 regarding insurance for work accidents and occupational diseases, for allowances related to medical certificates.

The provision applies starting with social health insurance allowances related to January 2024.

✚ The tax and social contribution exemption for the amount of 200 lei is maintained for the year 2024, in compliance with the legal provisions, as follows:

- The level of the basic monthly gross salary established according to the individual employment contract, without including increments and other additions, is equal to the level of the minimum gross salary in the country guaranteed in payment.
- The gross income from wages and wages, as defined in art. 76 para. (1)-(3) of the Fiscal Code, with subsequent amendments and additions, based on the same individual employment contract, for the same month, does not exceed the level of 4,000 lei inclusive.
- The provision according to which social contributions are due on a basis of calculation that cannot be lower than the minimum gross basic salary per country in force in the month for which the social insurance contribution is due, corresponding to the number of working days in the month in which the contract been active, takes into account, for 2024, the reduction of the minimum salary by 200 lei/month.

✚ The measure related to the calculation and withholding from the employer of the amounts related to CAS and CASS for part-time employees is maintained.

✚ Tax facilities for salary income for the IT, construction, agriculture and food industry sectors:

- **Starting with the income of January 2024**, in the situation where, during the same month, the natural person earns income from wages and wages assimilated to wages for a fraction of the month, in the basic function, at one or, as the case may be, at several successive employers (when the employee changes his place of work during the month), for the application of the exemption, each employer establishes the part of the ceiling of 10,000 lei per month corresponding to this period and **grants the exemption for the monthly gross income achieved**, within the limit of the fraction of the ceiling thus established. These provisions are applied accordingly in order to determine the income from wages and wages assimilated to wages for which the reduced rate of CAS is applied.
- **It is clarified** that the reduction of the social insurance contribution rate by the percentage points corresponding to the contribution rate to the privately managed pension fund under Pillar II **is only applied to gross monthly incomes up to and including 10,000 lei**, similar to

the ceiling applied to the tax exemption on income; The provision enters into force on the date of publication of Ordinance no. 115/2023.

- **Starting with the income of January 2024**, natural persons who earn income from salaries and similar to salaries in the respective fields **can opt for the payment of the social security contribution owed to the privately administered pension fund. GEO no. 115/2023 regulates the applicable procedure.** Thus, it is mentioned that the option is submitted in writing, to the employer, withholding the related contribution according to the legal provisions, starting with the income of the month following the one in which the option was registered. **The employees can renounce** at the expressed option, whenever and as many times as they want until December 31, 2028, by submitting a written request to the employer. This applies starting with the income related to the month following the submission of the request. The rules regarding the application of these provisions are established by the employer through the **Internal Regulation** or, as the case may be, through another internal document issued by it.
- ✚ Starting with the incomes of January 2024, **the list of non-taxable advantages in kind that are included in the list of those granted within the limit of the monthly ceiling of no more than 33% of the basic salary** corresponding to the job held or of the monthly salary/monthly salary granted/granted according to the law is changing, so:
 - **The favorable difference between the preferential interest rate established through negotiation and the interest charged on the market, for loans and deposits**, is no longer fully tax-free, but is included in the list of non-taxable benefits in kind within the limit of the monthly ceiling of no more than 33% of the basic salary corresponding to the job employed or from the monthly salary/monthly salary granted/granted according to the law; These provisions apply only to employees of financial institutions. The provisions regarding the application of mandatory social contributions have been adjusted accordingly.
 - **The sums paid by the employer for the early education of the employees' children** are included in the list of non-taxable advantages in kind within the limit of the monthly ceiling of no more than 33% of the basic salary corresponding to the job held or of the monthly salary/salary monthly granted/awarded according to the law; **the non-taxable benefit in kind is limited to 1,500 lei/month for each child.** In the case of amounts paid directly by the employee, they are granted by the employer, within the same ceiling, based on the supporting documents presented by the employee. **The amount is granted to a single parent, to a single employer**, by presenting a self-responsible declaration from the parent. In the situation where he works for several employers, the employee has the obligation to declare that he does not benefit from such payments from another employer. The provisions regarding the application of mandatory social contributions have been adjusted accordingly.
 - **The annual ceiling up to which the value of subscriptions for the use of sports facilities are considered non-taxable income when they are borne by employers is reduced from EUR 400 to EUR 100**, respectively they are deductible when calculating income tax when they are borne by employees. Provisions regarding the application of mandatory social contributions have been adjusted accordingly.
 - **The provisions** according to which the sums granted to employees carrying out **teleworking activities**, to support utility expenses at the place where the employees work, are considered non-taxable within the limit of a monthly ceiling of 400 lei and a monthly ceiling of no more than 33 % of the basic salary corresponding to the job held, **are repealed.** The provisions regarding the application of mandatory social contributions have been adjusted accordingly.
- ✚ It also clarifies **the month for which a certain advantage in kind is considered granted** from the list of those included in the non-taxable ceiling of 33% of the basic salary. Thus, starting with the income of January 2024:

- **the sums representing the value of tourist and/or treatment services**, including transport, during the leave period, for own employees and their family members, **are considered income related to the month in which the statement is approved, respectively income related to the month in which they are granted**, in the situation in which there is no obligation to present supporting documents.
- **The amounts representing the favorable difference between the preferential interest rate established through negotiation and the interest rate applied on the market**, for loans and deposits, are considered income **related to each of the months in which the loan is due, respectively the month in which the interest related to the deposit is recorded in the account.**
- It is considered **income related to the months corresponding to those for which the payment was made**, based on the supporting documents, for the following amounts:
 - the amounts representing **the contributions to a voluntary pension fund** borne by the employer for its own employees,
 - the amounts representing **voluntary health insurance premiums, as well as medical services provided in the form of a subscription** borne by the employer for its own employees,
 - the sums representing **the value of sports subscriptions** borne by the employer for its own employees,
 - the sums borne/granted by the employer for **the placement of the children of its own employees in early education units, according to the law.**
- The tax due is calculated and withheld by cumulating it with the income from wages and salaries related to the month in which the income is considered.

✚ **The calculation method for the non-taxable per diem is clarified** (delegation allowance, secondment allowance, including the allowance specific to transnational secondment, the additional benefits received by mobile workers provided for in Government Decision no. 38/2008), within the limit of 2.5 times the legal level established for the allowance, by decision of the Government, for the staff of public authorities and institutions, within the limit of 3 basic salaries corresponding to the job held:

- Thus, **starting from 15.12.2023**, the ceiling related to the value of 3 basic salaries corresponding to the job held **is calculated separately for each individual month**, by relating the 3 salaries to the number of working days in that month, and the result is multiplied by the number of days corresponding to each month of the period of delegation/secondment/performance of the activity in another locality, in the country or abroad.
- It is clarified that, **starting with 15.12.2023**, allowances and any other amounts of the same nature, received during the delegation period in the country or abroad, **are considered income related to the month in which the statement is approved**. The tax is calculated and withheld by cumulating it with the income from salaries and related salaries for the respective month.
- The same provisions apply to the calculation base of CAS, CASS and CAM.

✚ **Clarifications are made regarding the level of the minimum wage applicable in certain situations** (example: the calculation of the Solidarity and Disability Fund; the ceiling - the calculation basis for medical leave allowances according to the provisions of GEO no. 158/2005), as follows:

- 85. Article 135¹, paragraph (2) is amended and will have the following content:

(2) In the situation where, by decision of the Government or by other normative acts, several values of the minimum gross salary per country are used at the same time, in application of the provisions of art. 145, 146 and 157¹, **the lowest value of the minimum gross salary per country is taken into account**, if the law does not provide otherwise.

✚ **Clarifications are made regarding the minimum wage that is taken into account in the calculation of CAS and CASS for incomes other than income from wages:**

- Starting with the income of the year 2024, in the situation where, by decision of the Government, during the same year, several values of the minimum gross salary are used for the country, when checking the inclusion of the income in the annual ceilings for the payment of CAS, respectively CASS, as well as when establishing the annual basis for calculating the social insurance contribution, respectively the social health insurance contribution owed, **the value of the minimum gross salary per country in force on May 25 of the year of the income for which the social contributions are determined is taken into account**. The provision also applies in the case of CASS owed by natural persons who opt for the payment of the contribution.
- In order to establish the CAS and CASS due for the year 2023, through the single declaration regarding the income tax and social contributions owed by natural persons, for which the submission deadline is until May 25, 2024, upon verification of the inclusion of the income in the annual ceilings, as and when determining the annual basis of calculation, **the level of the minimum gross salary per country guaranteed in payment of 3,000 lei is used**. If, when submitting the single declaration regarding the estimated income for the year 2023, another level of the minimum wage was used, the situation will be regularized by the single declaration regarding the achieved income and social contributions, which is submitted until May 25, 2024.
- Individuals who, during 2023, have earned income from intellectual property rights, based on sports activity contracts, from leases, from associations with legal entities taxpayers according to titles II or III, for which the tax is withheld at source, have the obligation to submit the single declaration regarding the income tax and social contributions owed by natural persons for which the submission deadline is until May 25, 2024, including, in the event that the income payers, upon verification of the inclusion of the income in the annual ceilings for CAS and CASS, such as and when determining the annual basis for calculating the social insurance contribution and the social health insurance contribution, due for the year 2023, they used a different level of the minimum gross salary per country than 3,000 lei. The contribution withheld at source by the income payer represents advance payment on account of the annual contribution. CAS retained at source in addition is not returned, but is used to determine the elements necessary to determine the pension, according to the law. Income payers have the obligation to issue to natural persons receiving income, by the last day of February inclusive of the year 2024, for the year 2023, a document regarding the level of CAS, respectively of CASS withheld at source, as well as the level of the minimum wage gross per country used in their calculation.

✚ **Income in money and/or in kind received from third parties based on the individual employment contract:**

- The provisions regarding the obligation to calculate, withhold, declare and pay the mandatory social contributions, due according to the law in the case of advantages in money and/or in kind received from third parties, extend to any type of income in money and/or in kind received from third parties based on the individual employment contract, a service report, secondment act or a special statute provided by law or a contractual relationship between the parties; The provisions take effect with the income of January 2024.

II. Law no. 411 of October 18, 2004 (republished**), regarding privately administered pension funds, published in the Official Gazette no. 482 of July 18, 2007**

The main change is:

✚ **Starting from January 1, 2024, the contribution rate to the pension fund changes** from 3.75% to 4.75%. The contribution to the pension fund is part of the individual social insurance contribution owed to the public pension system.

III. Emergency Ordinance no. 69 of July 27, 2023, for the amendment of art. 14 of Law no. 165/2018 regarding the granting of securities, as well as establishing measures for the application of these provisions was published in the OFFICIAL GAZETTE no. 691 of July 27, 2023

The main change is:

✚ **Increasing the maximum value of meal vouchers to 40 lei from January 1, 2024.** This maximum value of 40 lei will be maintained at least until September 2024, when we will most likely see another increase.

Va reamintim că angajatorii nu sunt obligati sa acorde valoarea maxima a tichetelor, ci chiar orice valoare nominală sub nivelul stabilit prin ordonanță.

IV. Law no. 296 of October 26, 2023, regarding some fiscal-budgetary measures to ensure the financial sustainability of Romania in the long term, published in the OFFICIAL GAZETTE no. 977 of October 27, 2023

The main change is:

✚ **CASS (health contribution) for certain income from wages and income from self-employment:**

- Starting with the income related to January 2024, holiday vouchers and meal vouchers are subject to CASS and thus, in addition to the 10% tax, they will also be subject to the 10% health contribution.
- If employees benefit from holiday vouchers, they will no longer benefit from a non-taxable ceiling for the settlement of tourist and/or treatment services, including transport, during the leave period, for their own employees and their family members, granted by the employer.
- For income from independent activities, a ceiling increased to 60 minimum wages is introduced for the contribution to social health insurance. Thus, authorized natural persons (PFA) and in general those who have independent activities will owe CASS (the 10% rate) on the new basis starting with the income related to the year 2024.