

## Tax Alert

December 18th, 2018



### Summary:

- The modification of the gross minimal national basic salary guaranteed for payment starting with January 1st, 2019
- Review of the legal requirements regarding the employees

## *ECOVIS Romania: Financial Audit Services*

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Esteemed Partner,

We would like to inform you about the latest legal change applicable with **January 1st, 2019**.

Starting with January 1st, 2019, the gross minimal national basic salary guaranteed for payment is established in money, without increases or other additions, in the amount of 2.080 lei/month (due to a net salary of 1.263 lei), for a regular work program of an average 167,333 hours/month, representing 12,43 lei/hour.

As an **exception**, for the **staff employed for positions requiring high education studies, with a length of service of at least one year in the field of the high education studies**, the gross minimal national basic salary guaranteed for payment, without increases or other additions, is increased from 2.080 lei **to 2.350 lei per month**, for a regular work program of an average 167,333 hours/month, representing 14,044 lei/hour.

We mention that all the rights and obligations assumed pursuant to the law (such as the contribution for the fund for disabled persons, the maximum ceiling of the calculations basis for the sick leaves allowances, etc.) are determined through reference to the level of 2.080 lei of the gross minimal national basic salary guaranteed for payment.

To that end the documents of the salary modifications pursuant to art. 17 par. 5 of the Labor Code will be transmitted to you, and the actual registration of the salary changes in the Revisal will be made in a term of 20 office days since the modifications occurred.

At the same time, we would like to remind you the legal obligations of the employers:

## ***ECOVIS Romania: Payroll & HR Services***

### **The presence sheet**

The employer bears the obligation of keeping at the workplace the record of the work hours rendered daily by each employee, with the mentioning of the starting and finishing hours of the work schedule. The employer must submit to the employment inspectors this record at any time it is requested.

### **The annual scheduling of the vacations**

The vacation leave for the next year is made on the basis of an individual scheduling prepared by the employer with the consultation of the employees before the end of the current year. The employer must prepare the scheduling in a manner allowing each employee to benefit each year of at least 10 office days of continuous vacation.

### **The Internal Regulation**

The Internal Regulation is prepared by the employer in a 60 days term since the date of obtaining the legal personality, respectively in 60 days term since the date of deriving of the employer status (since the date of the conclusion of the first individual employment contract representing the basis of the legal work relations).

### **As an employer one has to possess the files regarding the work health and security**

- A. Work protection (SSM).** The employer is responsible for the organization of the activity of work health and security insurance, with the obligation of organizing the training for its own employees in the field of work health and security. The training is made periodically, through specific modalities established by the employer. The training is made mandatorily for new employees, for those changing their workplace or their activity and for those returning to work after a break longer than 6 months.
- B. The assessment of the risks for accidents and professional diseases.** Pursuant to the law 319/2006 regarding the work health and security, the employers bear the obligation of preparing and possessing the specific documents regarding the assessment of the risks for accidents and professional diseases identified for each workplace / profession / activity, on order to be able to decide steps for their control.

### **Labor Medicine**

**The medical check-up at employment, as well as the periodical medical controls are the medical services that must be provided by each employer to their employees.**

The medical examination is performed mandatorily to all employees regardless of their work contract, thus allowing each employee to benefit of the periodic health examination. The purposes of the medical examination are:

- The confirmation/information at determined intervals of work aptitude, for the function and the workplace the hiring was made for, and the aptitude sheet was released for;
- The identification of diseases representing contraindications for the activities and the workplaces exposed to factors of professional risks;
- The diagnostic of professional diseases, etc.

## ECOVIS Romania: One Stop Shop

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### Accounting

- Financial Accounting;
- Preparing & registering tax statements for legal and natural persons, both Romanian and foreign;
- Harmonizing the national financial accounting with the accounting norms of the parent-company;
- Preparing and certifying the annual financial situations;

### Audit

- Financial audit according to ISA;
- Restatement of financial statements prepared according to national regulations, to International Financial Reporting Standards (IAS/IFRS) or Reporting Standards specific to the Client (GAAP);
- Financial audit required by the group's policy;
- Internal audit;
- Audit missions such as: agreed procedures (ISA 4.400), revisions (ISA 2.400), due diligence;

### Payroll & HR

- Payroll services;
- Managing, auditing and registering the personnel files according to legal bindings and to the company's regulations;
- Preparing the job descriptions and of the Internal Order Regulation specific to Client's activity;
- Interface with banking applications and performing of salary payment transactions;
- Staff appraisal and selection for accounting/HR departments;

### Consulting

- Tax consulting
- Assistance for drafting the **transfer pricing file**;
- Consulting for M&A, company restructuring;
- Assistance in implementing IT solutions regarding: financial and management accounting, employees' records, payroll, management reports, etc.;
- Tax registration of various entities and VAT payer registration;
- Tailored information regarding significant law changes.

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