

## Tax alert

30 May 2022



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## *ECOVIS Romania: payroll and human resource services*

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Dear Client,

Here is a summary of the legislative changes in the field of human resources, which occurred in May 2022:

### **General Record of Employees - accessible online for employees / former employees**

As of 26 May 2022, Law no. 144/2022, amending and supplementing Law no. 53/2003 - Labor Code, has entered into force.

The law establishes that the General Record of Employees shall be filled-in and sent to the territorial labor inspectorate, in the sequence of employment, and shall include the identification elements of all employees: date of employment, position/occupation, level and specialty of education - (additional information compared to currently), the type of individual employment contract, the salary, the bonuses and their amount, the period and causes for suspension of the individual employment contract, the period of secondment and the date of the individual employment contract termination.

According to the law, the General Record of Employees shall be accessible online for employees/former employees, in relation to the data concerning such employees. The right of access shall be limited to viewing, downloading and printing such data, as well as to online generation and downloading of an excerpt of the Record.

Within 60 days, as of 26 May 2022, the procedure for employees or former employees' online access to the General Record of Employees' data shall be established, as well as the method for generating and downloading the excerpt, the conditions based on which the excerpt can prove the seniority in work.

### **Exemption from the payment of salary taxes for the voluntary increase of the minimum salary by RON 200**

As of 18 May 2022, the Emergency Ordinance no. 67/2022 regarding certain fiscal measures has entered into force.

Hence, as of 1 June 2022, in the case of employees working based on an individual employment contract, employed **full time**, at the place where the **basic position is located**, **no income tax and mandatory social insurance contributions shall be payable for an amount of RON 200** representing income from salaries and similar income in the following circumstances:

a) when employers voluntarily increase, at any time between 1 June and 31 December 2022 included, the level of gross monthly basic salary by the amount of **RON 200**, respectively from RON 2,550 to RON 2,750, for employees working based on **individual employment contracts, applicable on 1 June 2022;**

## *ECOVIS Romania: transfer pricing file*

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b) when the level of the gross monthly basic salary established according to the individual employment contract, free of bonuses and other additions, is of RON 2,750, **in the case of persons newly employed between 1 June and 31 December 2022, included.**

The amount of RON 200 shall not be taken into account for the application of personal deductions. The fiscal regime stipulated shall apply in the period when the increased/employment salary, as the case may be, is maintained/established at the level of RON 2,750, for salary income and similar income obtained between 1 June - 31 December 2022 included .

The benefit (amount) of **RON 200** may be decreased depending on:

- a) the period of the month for which the salary increase was granted;
- b) the date from which new employees are employed at an established salary level;
- c) the fraction of the month for which the salary income and similar income are determined;
- d) the date on which the individual employment contract is terminated.

### **The minimum gross basic salary in the agricultural sector and food industry - minimum RON 3,000/month**

On 17 May 2022, Law no. 135/2022 amending and supplementing certain normative acts, was published in the Official Gazette no. 489.

Law 135/2022 stipulates the establishment of a minimum gross salary of RON 3,000 for the workers from the agriculture sector and food industry, as already is the case in the construction sector, as well as grants certain tax facilities.

These tax facilities are:

1. Exemption from the payment of salary income tax - (10%); 2.

Exemption from the payment of the health insurance contribution (CASS) - (10%);

3.Reduction from the payment of the pension contribution (CAS) by 3.75% (from 25% to 21.25%).

Regarding the reduction of the pension contribution (CAS), the natural persons obtaining income from salaries and similar income in the above-mentioned activity sectors may choose to pay the 3.75% share due to the privately administered pension fund. This option shall be submitted in writing to the employer, the latter withholding the related contribution according to the legal provisions.

The requirements which must be met in order to benefit from these fiscal facilities are for the employers to carry out, on the territory of Romania, activities in the agricultural sector and in the food industry, as defined by the following NACE codes:

NACE 01: Agriculture, hunting and related service activities

011 – Growing of non-perennial crops;

012 – Growing of perennial crops;

13 - Plant propagation;

014- Animal production;

015- Mixed farming (vegetal crops mixed with animal production);

016 – Support activities to agriculture and post-harvest crop activities.

NACE code 10: Food Industry

## *ECOVIS Romania: online accounting*

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Employers operating in these sectors must reach a turnover of at least 80% of the total turnover for these areas mentioned above.

The gross monthly income for which the exemption applies shall be calculated at a gross employment salary for 8 hours of work/day, amounting to minimum RON 3,000 per month. The exemption shall apply for the amounts from the gross monthly income of up to RON 30,000. The part of the gross monthly income exceeding RON 30,000 shall not benefit from fiscal facilities.

### **Changes regarding the employment and secondment of foreign nationals on the territory of Romania**

Emergency Ordinance no. 59/2022 for the amendment of certain normative acts in the field of foreign nationals is in force as of 5 May 2022.

According to the recent changes, the application for the issuance of the employment/secondment permit shall be submitted by the employer to any of the territorial offices of the General Inspectorate for Immigration. The documentation required to obtain the employment/secondment permit can be submitted by any person holding the capacity of legal representative of the employer/beneficiary of the provision of services, in accordance with the law.

The new ordinance stipulates that the foreign national can apply for a long-stay visa for employment within 180 days as of the date of when the employer has obtained the employment permit.

The visa is settled by the National Visa Center, within 20 days as of the visa application submission date, without the need to obtain the approval of the Romanian Immigration Office.

If they have not been used to obtain long-stay visas, the employment permits issued no later than 60 days before the entry into force of this Emergency Ordinance may be used to obtain long-stay visas for employment within 180 days as of their issuance date.

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## ECOVIS Romania: One Stop Shop

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Accounting	Audit	Payroll and Human Resources	Consultancy
<ul style="list-style-type: none"> <li>→ Financial Accounting;</li> <li>→ Preparation and submission of tax returns for Romanian and foreign legal and natural persons;</li> <li>→ Harmonization of national financial accounting with the accounting rules of the parent company;</li> <li>→ Draft and certification of annual financial statements;</li> </ul>	<ul style="list-style-type: none"> <li>→ Financial audit in accordance with ISA;</li> <li>→ Re-treatment of financial statements prepared in accordance with national regulations, for International Financial Reporting Standards (IAS / IFRS) or Client-Specific Standards (GAAP);</li> <li>→ Financial audit imposed by the group's policy;</li> <li>→ Internal audit;</li> <li>→ Audit tasks such as: agreed procedures (ISA 4,400), reviews (ISA 2,400), <i>due diligence</i>;</li> </ul>	<ul style="list-style-type: none"> <li>→ Payroll services;</li> <li>→ Management, audit and registration of personnel files according to the legal requirements and regulations of the company;</li> <li>→ Preparation of job descriptions and Internal Regulations specific to the Client's activity;</li> <li>→ Interface with banking applications and execution of payroll transactions;</li> <li>→ Staff evaluation and selection for accounting services/accounting department;</li> </ul>	<ul style="list-style-type: none"> <li>→ Tax consultancy</li> <li>→ Assistance in preparing the transfer pricing file;</li> <li>→ Consultancy in mergers and acquisitions, company restructuring;</li> <li>→ Assistance in implementing IT solutions regarding: the financial and management accounting, employee records, payroll, managerial reports, etc .;</li> <li>→ Tax registration of various entities and registration as VAT payer;</li> <li>→ Notifications regarding the significant changes in legislation.</li> </ul>

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### Contact Details:

Tudor Vladimirescu Avenue, no. 29A, AFI Tech Park1, District 5, Bucharest, Romania

**Telephone:** +4021.410 20 60

**Mobile phone:** +40724.343.500

**Email address:** [office@ecovis.ro](mailto:office@ecovis.ro)

**Web:** [www.ecovis.ro](http://www.ecovis.ro), <https://www.ecovis.com/global/locations/romania/>