

# Tax & Legal Alert

ROMANIA 5 March 2009

## Holiday tickets for employees

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The Government Emergency Ordinance nr.8/2009 regarding granting of holiday tickets ("Ordinance") was published and entered into force on 24 February 2009.

According to the Ordinance, employers can grant holiday tickets (vouchers which can be used for payment of holiday related services) to employees under engagement based on individual employment contracts. The value of the holiday tickets is not considered when establishing the employment income.

The amounts representing holiday tickets:

- are paid by the employer;
- can be granted by private employers only if they obtained profit or income in the previous fiscal year;
- can be granted up to the limit of six national minimum wages, per employee, in a fiscal year. Any amount exceeding this limit is paid by the employee. Employees that have received holiday tickets are not entitled to holiday bonuses as well;
- are deductible for profit tax purposes and exempt from income tax and social contributions.

The Ordinance sets the conditions for ticket validity, authorisation of the issuers and of the affiliate tourism operators (Romanian-based companies only) and also the penalties and contraventions applicable for the latter.

The methodological norms of the Ordinance are to be submitted for approval within 15 days of the Ordinance coming into force.

[Source: Official Gazette no. 110 dated 24 February 2009]

For more information, please contact Peter de Ruiter, Mihaela Mitroi, Ionut Simion and Daniel Anghel.