

Tax & Legal Alert

ROMANIA 8 January 2008

Changes regarding the contributions to the state budget and to the social security budget

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This Tax & Legal Alert is produced by
PricewaterhouseCoopers' tax department

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The state budget law and the social security budget law for 2008 bring the following changes to the employer's and employee's contributions:

Contribution	2007	January 2008	July 2008	December 2008
The employer's social security contribution (uncapped contribution starting 1 January 2008):				
- standard working conditions	19.5%	19.5%	19.5%	18%
- particular working conditions	24.5%	24.5%	24.5%	23%
- special working conditions	29.5%	29.5%	29.5%	28%
The employee's social security contribution remains 9.5% (2% of which is allocated to the private pension funds), regardless of the working conditions.				
Unemployment contribution :				
- employer	2%	1%	1%	0.5%
- employee	1%	0.5%	0.5%	0.5%
- persons insured under unemployment assurance agreements	3.25%	1.5%	1.5%	1%
Insurance against work accidents and occupational diseases, depending on the class of risk	0.4 - 3.6%	0.4 – 2%	0.4 – 2%	0.4 – 2%
Health fund contribution:				
- employer	6%	5.5%	5.5%	5.2%
- employee	6.5%	6.5%	5.5%	5.5%
Employer's contribution to the Fund to guarantee payment of salaries stands at:				
Minimum gross salary	390 RON	500 RON	540 RON*	

*if the main economic indicators of the state budget for 2008 are met.

[Source: Official Gazette of Romania no. 901 and no. 902/31.12.2007]

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