

# **New regulations on expenses incurred by employers for the benefit of employees**

*13 March 2014*

## ***In brief***

A Government Decision entered into force on 28 February 2014 approving the Regulation regarding the established amounts and criteria of expenses incurred and determined by employers for employee transportation, meals and professional studies.

## ***In detail***

### ***Expenses for transportation of employees to and from the workplace***

Employers are entitled to deduct expenses incurred for employee transportation of up to MDL **25** (excluding VAT) per transported employee per day worked.

Deduction of such expenses is justified by submitting the following confirmative documents:

- If employee transportation is organised independently by the employer:
  - employer's internal order;
  - itinerary for the means of transport used;
  - route map for the means of transport ;
  - employee timesheets;
  - documents confirming the expenses incurred.
- If the transportation services are provided by a third party:
  - employer's internal order;
  - services contract;
  - employee timesheets;
  - invoice / fiscal invoice.

### ***Meal expenses***

Employers can deduct employee meal expenses of up to MDL **35** (excluding VAT) per employee for every working day.

Deduction of such expenses is justified by submitting the following confirmative documents:

- employer's internal order;
- document confirming employer approval of employee meals;
- document confirming the costs incurred for employee meals;
- catering services contract, if services are provided by a third party;
- invoice / fiscal invoice;
- employee timesheets.

### ***Employee professional study expenses***

Employers can deduct expenses for professional studies / training incurred for the benefit of employees, on the condition that these expenses are incurred, exclusively, in relation to the business activity and necessary for the participating employees' specific activities.

Deduction of such expenses is justified by submitting the following confirmative documents:

- employer's internal order;

- contracts, invoices or other related documents confirming the incurred costs and services provided for employee professional studies / training.

The expenses incurred within the specific conditions as mentioned above for each type of expense cannot be considered as rewards and benefits provided by the employer and do not entail any tax obligations, additional retentions or calculations for employees. If these limits are exceeded, the excess amount is considered as rewards and benefits provided by the employer.

*[Source: Government Decision no. 144 dated 26 February 2014 for approving the Regulation regarding the established amounts and criteria of expenses incurred and determined by employer for transportation, meal and professional studies of employees', Monitorul Oficial no. 49-52/157 dated 28 February 2014]*

### ***The takeaway***

This Regulation establishes the regime of income tax, social security contributions and health insurance contributions from the employer and employee perspective for expenses incurred by employers for employee transportation, meals and professional studies.

The provisions of the Government Decision are applicable as of 28 February 2014.

**Let's talk**

For a deeper discussion of how this new legislation might affect your business, please contact:



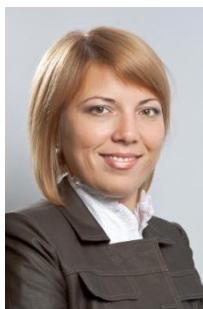
Ionuț Simion  
Partner  
[Ionut.Simion@ro.pwc.com](mailto:Ionut.Simion@ro.pwc.com)



Alexandru Munteanu  
Manager, Attorney-at-law  
[Alexandru.Munteanu@ro.pwc.com](mailto:Alexandru.Munteanu@ro.pwc.com)



Sergiu Dumitrașco  
Manager  
[Sergiu.Dumitrasco@ro.pwc.com](mailto:Sergiu.Dumitrasco@ro.pwc.com)



Tatiana Stavinschi  
Manager  
[Tatiana.Stavinschi@ro.pwc.com](mailto:Tatiana.Stavinschi@ro.pwc.com)

PricewaterhouseCoopers Moldova  
37, Maria Cibotari Street  
Chisinau, Republic of Moldova  
Tel: + (373 22) 25 17 00  
Fax: + (373 22) 23 81 20

