

Approval of the laws on compulsory health insurance funds and state social security for 2016

2 August 2016

In brief

The Parliament of the Republic of Moldova has recently approved the Law on compulsory health insurance funds for 2016 ("Law on CHIF 2016") and the Law on state social security budget for 2016 ("Law on SSSB 2016").

In detail

Compulsory health insurance

According to the new law, the contribution percentage rates for labour remuneration fund and other forms of remuneration have been maintained at 9% (i.e. 4.5% for employees and 4.5% for employers).

The annual fixed amount contribution of MDL 4,056 has been also maintained.

State social security

The social security contribution (SSC) rates applied on salaries and other forms of remuneration have been maintained at 6% for employees and 23% for employers.

The SSC rates applicable by employers in the agriculture sector and companies whose core business is software development have also been maintained.

The annual fixed SSC has been increased from MDL 6,372 to MDL 7,032.

Payers which on 1 January 2016 had at least five individuals employed under labour agreements and / or were providing services, are obliged to submit the BASS and REV5 reports by using the automated electronic reporting method, while using the electronic signature.

The list of rights and income exempted for SSC purposes has been completed with the following elements:

- Expenses incurred by employers for professional studies/ professional training of employees;
- Income obtained by entrepreneurship patent holders as a result of work performed or services provided.

For the period from the date of submitting documents for transferring the amounts from the state social security budget account to another budget account until the date of actual transfer, no late-interest penalties for SSC will be calculated for the payers.

[Source: Law on compulsory health insurance funds for 2016 no. 157 dated 1 July 2016, Official Gazette no. 215-216 (5648-5649) dated 19 July 2016;

Law on state social security budget for 2016 no. 156 dated 1 July 2016, Official Gazette no. 230-231 (5663-5664) dated 26 July 2016].

The takeaway

Through the law on CHIF for 2016, the compulsory health insurance rates have been maintained for employers and employees.

According to the law on SSSB for 2016, the percentage rates for mandatory SSC have been maintained. The list of rights and income from which SSC is not calculated has been adjusted. Moreover, new provisions on the submission of declarations and application of late-payment interest have been approved.

The Law on CHIF entered into force as of 19 July 2016, with the Law on SSSB coming into force as of 26 July 2016.

Let's talk

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



Mihaela Mitroi
Partner
mihaela.mitroi@ro.pwc.com



Ionut Sas
Partner
ionut.sas@ro.pwc.com



Tatiana Stavinschi
Manager
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

This Tax & Legal Alert is produced by PwC Moldova Tax and Legal Department.

Legal Disclaimer: The material contained in this alert is provided for general information purposes only and does not contain a comprehensive analysis of each item described. Before taking (or not taking) any action, readers should seek professional advice specific to their situation. No liability is accepted for acts or omissions taken in reliance upon the contents of this alert.

© 2016 PwC. All rights reserved. "PricewaterhouseCoopers" and "PwC" refer to the network of member firms of PricewaterhouseCoopers International Limited (PwCIL). Each member firm is a separate legal entity and does not act as agent of PwCIL or any other member firm. PwCIL does not provide any services to clients. PwCIL is not responsible or liable for the acts or omissions of any of its member firms nor can it control the exercise of their professional judgment or bind them in any way. No member firm is responsible or liable for the acts or omissions of any other member firm nor can it control the exercise of another member firm's professional judgment or bind another member firm or PwCIL in any way.