



Simplifying Employment
Tasks Worldwide

Statutory Change Alert

Romania – Changes in Social security & tax effective Jan
2024



ROMANIA



28 February 2024

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MERCANS

We help you achieve your global ambitions

Thank you for trusting Mercans to outsource your HR and Payroll functions. We propose HR consulting services, actionable solutions, and cost-effective global payroll processing tools to energize your human capital management in real-time and augment your performance. We are dedicated to becoming your business growth facilitator.



Global Payroll Solutions – Boost your HR brand and employee satisfaction

Rationalize your HR budgets, monitor your data, and optimize your global payroll tasks in real-time. Systematize processes and streamline HRM lifecycles with HR Blizz™, our unified SaaS platform, to ensure your employees are paid accurately and on time.



PEO/GEO Services – Easily hire, deploy and manage your workforce abroad

A reliable Professional Employer Organization (PEO), Mercans is your trusted employer of record to globally select, engage, and manage highly qualified personnel on your behalf, through integrated Global Employment Outsourcing (GEO).



Global Talent Acquisition – Quickly fill vacancies with only the best candidates

Mercans supports you in designing/deploying long-term HR strategies and processing full-cycle recruitment. Our ATS Suite Mesaar™ and our hiring experts help to screen, select, attract the right candidates for your organization and populate your pipeline of prequalified talents.



BPO Services – Reclaim the focus on your core activities to expand your business

Concentrate on the essentials: outsource non-primary activities and your front- and back-office functions to Mercans. Save the time, money, and energy needed to refine the value chain engagement of your customers and suppliers and increase revenue.



HR Management SaaS – Access customizable cloud-based online platforms

Centralize your HR function on an all-in-one user-friendly and self-service platform. Combined with the expertise of our consultants, the Mesaar SaaS offers a built-in applicant tracking system and easy-integration features to improve internal processes.



Local Statutory Compliance – Forget the hassle of setting up branches abroad

Mercans seasoned HR advisory team are compliance experts specialized in local cultures, business protocols, and tax and legal specificities. They are committed to ensure quick go-to-market abroad and achieve a compliant global expansion, risk-free from A to Z.



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Mercans at a Glance

160+

Countries

20

Years of Success

1K+

Payroll and HR Specialists

22k+

Clients Worldwide

97%

Client Retention Rate

1.5X

Annual Revenue Growth

95k+

Largest Single Country Payroll

25M+

Pay Slips per Annum

0

Security Breaches

Number one for outsourced payroll services, we are endorsed by international authorities.



Mercans has the highest industry quality and IT security certificate certificate





Romania – Changes in social security & tax effective Jan 2024

The fiscal code has been amended through several normative acts. Effective 1st January 2024, the changes below, are applicable for health insurance as per GEO 115/2023 & 296/2023.

Changes in earnings subject to health insurance (CASS)

- Sick leave/medical allowances are included in health contribution calculation base with the exception for indemnities related to temporary incapacity to work granted because of accidents at work or occupational diseases based on law no. 346/2002.
- Holiday vouchers and meal vouchers will also subject to the 10% health contribution. Cultural, nursery and social vouchers granted based on legislation will keep the same fiscal treatment as now, i.e., they will only be included in the income tax base.

Changes in non-taxable earnings

Regarding the non-taxable salary income within the monthly limit of maximum 33% of the basic salary, amendments are provided:

- Telecommuting allowance exemption up to Lei 400 is eliminated. It is fully taxable now.
- The value of sports subscriptions is reduced from EUR 400 to EUR 100 per year. The limit is also applied for the deduction for subscriptions borne by employees.
- The favourable difference between the negotiated preferential interest and the market interest, for loans and deposits which was fully non-taxable, is now included in this list of benefits exempted up to 33% of basic salary.
- The amounts borne by the employer for the early education of the employees' children, within the limit of 1,500 lei/month for each child is included in the list of benefits exempted up to 33% of basic salary.

The provisions on the calculation base for the social charges are also amended to exclude from the calculation base, these benefits described above.



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Clarification on ceiling for non-taxable daily allowance

Daily allowance (delegation allowance, posting allowance, including the allowance specific to transnational posting, additional benefits received by mobile workers) is exempt within the limit of 2.5 times the legal level established by government decision, for the staff of public authorities and institutions, within the limit of 3 base salaries corresponding to the main workplace.

The ceiling related to the value of 3 base salaries corresponding to the job occupied is calculated as “[(3 times base salary/working days) * allowance days]”.

Changes for IT, construction, agriculture, and food industry sectors' salaries

Exemptions for IT, construction, agriculture, and food industry activities have been eliminated or reduced.

- Employees with income from software creation will pay tax on salary income which exceeds Lei 10,000 per month. For the exempted income, they are exempted from paying the contribution to Pillar II for pensions. Employees may express/ waive the full contribution option by submitting a written request to the employer. It will apply from following month of application.
- The employees earning salaries for a fraction of month at one or more employers consecutively in same month, each employer calculates monthly Lei 10,000 exemption for the corresponding period.
- Employees in the construction, agriculture and food industry sectors will pay the health contribution (CASS).
- Employers in the construction, agriculture and food industry sectors will become again (as in the past) payers of the social security contribution, for activity carried out under special or other working conditions.

The facilities specific to all these industries are valid until 31st December 2028. The exemption applies at the place where the basic function is located.

Please contact your Mercans' services delivery team for any additional information regarding the implications of the above change



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They already trust Mercans





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What Makes Mercans your HR and Payroll Partner of Choice?

We Simplify Employment Tasks Worldwide

Everywhere for Everyone

We are a borderless people engagement enabler, driven by technology and innovation. We deliver bespoke human capital management services and global payroll solutions to empower businesses across 110+ countries regardless of their organizations' size and their industry. We pride ourselves on being global people experts with a striking local presence, committed to making your teams happy, and ensuring the consistent and sustainable growth of your organization.

Local Presence. Regional Strategy. Global Success

Supported by 500+ payroll and HR specialists with in-depth local knowledge, Mercans operate globally. Our pioneering human resources consulting services and trailblazing SaaS platforms are already satisfying 5,000+ international clients, ensuring timely measurable results and bottom-line savings. Thanks to success-oriented teams striving for excellence and taking care of our clients' tasks within budget, we have gained the trust of major multinational companies.

A Revolutionary Service Delivery System

Say goodbye to third-party service providers, offshore call centers, fragmented data, and endless chains of sub-contracts.

Mercans cloud-based SaaS Products, HR Blizz™ & Mesaar™, combine the performance of proprietary technologies with a human touch. Cost-effective, they are fully-compliant self-service tools, packed with smart built-in features for your peace of mind. All your data are integrated into single interfaces accessible from everywhere and on any device.

Trailblazing Cloud-Based SaaS Products

HR Blizz & Mesaar, our Software-as-a-Service platforms, both propose a preconfigured API integration capability with all the major global HRMS platforms, including SuccessFactors, Workday, Oracle HCM, and MS Dynamics. All Mercans systems and processes are GDPR compliant, ISO 9001, 20000, 27001 certified, and SOC 1 and SOC 2 audited. A registered Finpro expert, Mercans is also a member of the Global Payroll Association and the Global Payroll Management Institute.



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