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**Romania – Employers’  
Social Security  
Contributions Reduced**  
by KPMG Tax, Bucharest  
(KPMG in Romania is a KPMG  
International member firm)

## flash Alert

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In an effort to help bolster employment, a new law in Romania provides for the reduction in social security (pension) contributions due by employers of 5-percentage points, starting with income related to October 2014.<sup>1</sup>

### Why This Matters

The reduction in employers’ social security contributions will help reduce employment-related costs and is intended to boost hiring.

While social security (pension) contributions due by individuals have remained unchanged at 10.5 percent, the new social security (pension) contributions due by employers will be:

- 15.8 percent for “normal” work conditions (previously 20.8 percent);
- 20.8 percent for “difficult” work conditions (previously 25.8 percent);
- 25.8 percent for “special and other” work conditions (previously 30.8 percent).

### KPMG Note

This change should be reflected in the payroll for October 2014 and the legal deadline for declaring and paying Romanian social security contributions for October 2014 is **25 November 2014**.

This change will reduce the social security burden on companies.

### Footnote:

1 Law no. 123/2014 on amendments to the Fiscal Code (“the Law”) has been published in *Monitorul Oficial* (Official Journal of Romania), no. 687 of 19 September 2014. For the published laws and other statutory instruments of Romania (in Romanian), see the Web site for *Monitorul Oficial* at: <http://www.monitoruloficial.ro/>.

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The information contained in this newsletter was submitted by the KPMG International member firm in Romania. The information contained herein is of a general nature and based on authorities that are subject to change. Applicability of the information to specific situations should be determined through consultation with your tax adviser.

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