



# THE OVERVIEW OF AMENDMENTS VALID SINCE 1.1.2017

Dear readers,

As every year, the legislators made changes in salary regulations for the new upcoming year, which we would like to briefly introduce you.

The most important change seems to be the minimum wage, which affects several other values derived from it.

We hope this report will help you to navigate more quickly through changes, but in case of any questions or concerns please feel free to contact us.

For the New Year, we wish you all the best, good health and lots of smiles.

Mazars Payroll & HR team

AUDIT • TAX • ACCOUNTING • PAYROLL & HR • CONSULTING • LAW

Some have auditors, **U** have us

 **M A Z A R S**

## MINIMUM WAGE/SALARY 2017

- **435 EUR** per month for the employee remunerated with monthly salary,
- **2.500 EUR** per every hour worked out by the employee.

In the case of the employee remunerated with hourly wage with the established weekly working time bellow 40 hours per week, the minimum wage shall be:

- **2.5806 EUR** per every hour worked out by the employee with 38.75 hour/week,
- **2.6667 EUR** per every hour worked out by the employee with 37.50 hour/week.

The rates of minimum wage/salary entitlements as of **1 January 2017**.

The degree of challenge at work	MM coefficient	Rates for monthly rewarded employee	40 hour/week	38.75 hour/week	37.5 hour/week
1.	1.0	€ 435.00	€ 2.500	€ 2.5806	€ 2.6667
2.	1.2	€ 522.00	€ 3.000	€ 3.0968	€ 3.2000
3.	1.4	€ 609.00	€ 3.500	€ 3.6129	€ 3.7333
4.	1.6	€ 696.00	€ 4.000	€ 4.1290	€ 4.2667
5.	1.8	€ 783.00	€ 4.500	€ 4.6452	€ 4.8000
6.	2.0	€ 870.00	€ 5.000	€ 5.1613	€ 5.3333

## PAYROLL VALUES DERIVED FROM MINIMUM WAGE/SALARY

Several values used in the payroll department are derived from the minimum wage/salary. The payroll values re mostly determined as the proportional portion or the relevant percentage of the hourly minimum wage in EUR stipulated in the Decree of the Government. They are in particular:

- **The compensation of the inactive portion of the on-call duty outside the workplace** (Article 96 Para 5 of the Labour Code) being **at least 20% of the minimum wage in EUR per hour, i.e. since 1 January 2017 it shall be increased from 0.4656 EUR to 0.500 EUR.**
- **The valid or probably average hourly earnings of the employee of at least the minimum hourly wage for the relevant degree of challenge at work** and for the relevant specified weekly working time on the workplace, i.e. since **1 January 2017 at least 2.500 EUR (for 1st degree of challenge at work and the stipulated working tie of 40 hours per week)**
- **The rate of allowance for overtime work** (Article 121 of the Labour Code) paid to the employee **at least at the amount of 25% of the average income of the employee, i.e. since 1 January 2017 it shall be increased from 0.5820 EUR to 0.6250 EUR.**
- **The rate of the allowance for work on banking holiday** (Article 122 of the Labour Code) paid to the employee **at least at the amount of 50% of the average income of the employee. Thus since 1 January 2017 it shall be increased from 1.1640 EUR to 1.2500 EUR.**

- **The rate of the allowance for night work** (Article 12 of the Labour Code) paid to the employee **at least at the amount of 20% of the minimum hourly wage**, i.e. **since 1 January 2017 it shall be increased from 0.4656 EUR to 0.500 EUR.**
- **The rate of the allowance for work under more difficult conditions** (Article 124 of the Labour Code), i.e. **at least at the amount of 20% of the minimum hourly wage regardless the length of the fixed weekly working time on the workplace** (i.e. similarly as in the cases of the allowance for night work).

## THE TABLE OF CONTRIBUTIONS SINCE 1 JANUARY 2017

	Health Insurance	Sickness Insurance	Pension Insurance		Unemployment Insurance	Guarantee Insurance	Accident Insurance	Reserve Fund	Total
			Old-age	Disability					
	Health Insurance	Sickness Insurance	Pension Insurance		Unemployment Insurance	Guarantee Insurance	Accident Insurance	Reserve Fund	Total
			Old-age	Disability					
Contribution rate	4%	1.40%	4%	3% *	1% **				
Maximum base <sup>2)</sup> (in EUR)	unlimited	6,181.00	6,181.00	6,181.00	6,181.00				
Contribution (in EUR)		86.53	247.24	185.43	61.81				<b>581.01</b>
Contribution rate	10%	1.40%	14%	3% *	1% **	0.25% ***	0.8% <sup>6)</sup>	4.75%	
Maximum base <sup>2)</sup> (in EUR)	unlimited	6,181.00	6,181.00	6,181.00	6,181.00	6,181.00	unlimited	6,181.00	
Contribution (in EUR)		86,53	865,34	185.43	61.81	15.45		293.59	<b>1,557.59</b>

## DEDUCTIBLE ITEM - HEALTH INSURANCE

Since 1 January 2015, the deductible item is introduced in health insurance. Thus the health insurance contributions **dropped down for some employees and their employers.**

### The deductible item for the employee

The deductible item shall be determined as follows when calculating the advance for health insurance for any month:

1. Deductible item is (in the ideal case) **EUR 380.**
2. The deductible item **shall be reduced** as long as the employee was not employed for entire month or as long as he/she had unpaid leave or absence. **The deductible item shall be reduced pro rata according to the number of calendar days.**
3. **As long as the income of the employee from his/her employment for the particular month is bellow EUR 380, or the amount reduced pursuant to clause 2, the deductible item shall be at the amount of the income.**
4. **As long as the overall income** of the employee (employment + other possible earnings from the same employer) **exceeds EUR 380**, the deductible item determined pursuant to clauses 1 to 3 **shall be reduced.**

It shall be reduced **by the amount fixed as twice the difference of the overall income of the employee and EUR 380.**

For example, when the deductible item determined pursuant to clauses 1 to 3 is EUR 380 and the overall income of the employee from his/her employer is EUR 450, the deductible item shall be reduced by 2 x EUR 70, thus it shall be reduced by EUR 140 and the deductible item shall thus be just EUR 240.

Note: **The employment percentage shall not affect the amount of the deductible item.**

Rounding: **The deductible item is to be round down to eurocents.**

## TAX ON INCOME

### Tax rate

- 19% of the tax basis up to 176.8-multiple of the subsistence minimum in force (€ 198.09) including, thus up to € 35,022.31.
- 25% of the tax basis exceeding 176.8-multiple of the subsistence minimum in force (€ 198.09) including, thus of the amount over € 35,022.31.
- The limit for the calculation of the advances for tax on income from employment shall be for the rate of 19% the amount of € 2,918.53.
- 19% is the tax rate for the withdrawal tax, regardless the income.

### The non-taxable part per a taxpayer

- € 316.94 per month,
- As long as the taxpayer reaches for 2017 the tax basis up to 100-multiple of the subsistence minimum in force, i.e. € 19,809 , the non-taxable part per a taxpayer shall be 3,803.33 € per year,
- As long as the taxpayer reaches for 2017 the tax basis over 100-multiple of the subsistence minimum in force, i.e. more than € 19,809 , the non-taxable part per a taxpayer shall be calculated as follows: € 8,755.578 – (tax basis / 4), where € 8,755.578 is the 44.2-multiple of the subsistence minimum and the result shall be rounded up to eurocents,
- As long as the taxpayer reaches for 2017 the tax basis above € 35,022.32, the taxpayer shall not be entitled to the non-taxable part or the non-taxable part per a taxpayer shall be € 0.

### Tax bonus

- € 31.41 per a child per month (€ 256.92 per a child per year),
- The limit of the income for recognition of the entitlement is 6-multiple of the minimum salary, i.e. € 2,610 (6 x € 435).
- The limit of the income for the recognition of the entitlement of the employee shall be the half of the minimum wage, i.e. € 217.50 (€ 435 / 2).
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## BOARD MONEY SINCE 1 DECEMBER 2016

### Domestic business trips

- € 4.50 for 5 to 12 hours on a business trip (now € 4.20),
- € 6.70 for 12 to 18 hours on a business trip (now €6.30),
- € 10.30 for over 18 hours on a business trip (now €9.80),

### Minimum value of luncheon voucher

The minimum value of the luncheon voucher shall be calculated as 75% of the board money for 5 to 12 hours on a domestic business trip, i.e. **€ 3.38**.