

TAX ALERT

FEBRUARY 2018

To keep you up to date with the latest changes on legal and financial legislation, this Tax Alert prepared by A.R.S Legal & Financial Services Ltd, provides you valid information that can affect the scope of activity that your business exercises in Albania.

The Council of Ministers of the Republic of Albania, during the month February, approved the Decision No 68, date 07.02.2018 “ For limits and criteria determination of reward corresponding the salary benefited on nature and added the salary for annual leaves”, published on the Official Journal No 16, date 09 February 2018.

This decision is based on article 100 of Albanian Constitution, and articles 94 and 118 of the Law No. 7961, date 12.7.1995 “Labour Code of the Republic of Albania”.

The General Condition to Benefit

The general condition to benefit from the facilities of this decision is that: “The Employers, who due to conditions or work organization, cannot provide dining area, with acceptable hygienic conditions (according to work permit, provided by The State Labor Inspectorate)) must reward employees for the food consumed during the break in the enterprise”.

Types of Reward

The reward in the form of salary in nature can be given in food treatment, coupon and goods. In special cases when do not exist the possibilities for providing reward in none of these forms, the employee is given the money reward.

The Value

The reward amount limit, in the form of the salary in nature, will be up to 300 (three hundred) ALL for one meal and up to the amount of 500 (five hundred) ALL when the employee is treated with more than one meal for the working day.

Tax Effects

When the reward is given in money, for fiscal effects, is treated as salary.

In cases when the salary in nature is deducted from the employee's salary, then the sum of this reward for the whole month cannot pass 20% (twenty) percent of the monthly salary.

Calculation

For the purpose of calculating the salary in the case of annual leave, the reward corresponding to the part of the salary earned in nature is calculated as a ratio of the working days during which the employee has received salary in nature with the total number of days, during which he worked, multiplied by working days included in the period of annual leaves and daily salary in nature, defined in the collective or individual work contract.

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