

Issue 04/13

To keep you up-to-date with the latest economic and financial developments, this bulletin prepared by our Tax Team provides information that may affect the operation of your business in Albania.

New minimum and maximum salary for purposes of calculating social and health contributions

In the meeting of 17th of July 2013, the Council of Ministers approved a decision, which amends decision no. 1114, dated 30.07.2008 "On Some Matters implementing the Legislation related to the Social and Health Contributions in the Republic of Albania", as amended (the "Decision").

The Decision will enter into force upon publication in the Official Gazette and extends its effects from the 1st of August 2013.

The Decision increases the minimum and maximum monthly salaries, which serve as the basis of calculation of social and health contributions.

Starting from 1st of August 2013, the monthly minimum salary will be Leke 19,026 while the maximum salary will be Leke 95,130.

Social and health contribution rates to be paid by both the employee and employer are not subject to changes. Therefore, the rates as indicated below apply:

Paid by employer

Social insurance 15 %

Health insurance 1.7 %

Paid by employee

Social insurance 9.5 %

Health insurance 1.7 %

As a reminder, monthly declaration and payment of social and health contributions by employers should be made not later than the 20th day of the successive month.

BOGA & ASSOCIATES

If you wish to know more on issues highlighted in this edition, you may approach your usual contact at our firm or the following:

info@bogalaw.com

Tirana Office

Ibrahim Rugova Str.
P.O. Box 8264
Tirana, Albania
Tel +355 4 225 1050/225 1022
Fax +355 4 225 1055

Pristina Office

Nene Tereza str.
Entry 30, No. 5
Pristina, Kosovo
Tel +381 38 223 152
Fax +381 38 223 153

The Tax Alert is an electronic publication edited and provided by Boga & Associates to its clients and business partners. The information contained in this Tax Alert is of a general nature and is not intended to address the circumstances of any particular individual or entity. The Tax Alert is not intended to be and should not be construed as providing legal advice. Therefore, no one should act on such information without appropriate professional advice after a thorough examination of the particular situation. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. You can also consult this Tax Alert on the section "Library" of our website.

© 2013 Boga & Associates. All rights reserved.

This publication is copyrighted and is protected to the full extent of the law. Nevertheless, you are free to copy and redistribute it on the condition that full attribution is made to Boga & Associates. If you have not received this publication directly from us, you may obtain a copy of any past or future related publications from our marketing department (marketing@bogalaw.com) or consult them in our website (www.bogalaw.com). To unsubscribe from future publications of "Tax Alert", please send "Unsubscribe" by replying to our email accompanying this edition.

Boga & Associates

Boga & Associates, established in 1994, has emerged as one of the premier law firms in Albania, earning a reputation for providing the highest quality of legal, tax and accounting services to its clients. Boga & Associates also operates in Kosovo (Pristina) offering full range of services. Until 1st of May 2007, the firm was a member firm of KPMG International and the Senior Partner/Managing Partner, Mr. Genc Boga was also Managing Partner of KPMG Albania.

The firm maintains its commitment to quality through the skills and determination of a team of attorneys and other professionals with a wide range of skills and experience. The extensive foreign language capabilities of the team help to ensure that its international clientele have easy access to the expanding Albanian and Kosovo business environment.

With its diverse capabilities and experience, the firm acts for leading businesses in most major industries, including banks and financial institutions, as well as companies working in insurance, construction, energy and utilities, entertainment and media, mining, oil and gas, professional services, real estate, technology, telecommunications, tourism, transport, infrastructure and consumer goods sectors.