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#### **I. New assessment base for the calculation of social security contributions.**

Starting from 01.08.2014, the assessment base for the calculation of social security contributions changes as follows:

- the minimum assessment base increases from ALL 19,026 to ALL 19,406
- the maximum assessment base increases from ALL 95,130 to ALL 97,030

For labor law purposes, the minimum gross wage cannot be lower than 22,000 ALL per month. Thus, notwithstanding the above the minimum assessment base for the calculation of the social security contributions for an employee cannot be lower than 22,000 ALL per month.

The changes have also been reflected on the level of contributions paid by self-employees.

The mentioned social security tax caps are not applicable for the calculation of health insurance contributions of employees, for these the assessment basis is the effective gross wage.

#### **II. Withholding tax declaration and payment form.**

Further to the changes introduced with the Fiscal Package 2014, tax payers required to pay withholding tax on payment of dividends, interests etc. are additionally required to file within the payment due date a withholding tax declaration.



The declaration form has been recently published at the website of the General Tax Directorate. The declaration has to be filed via registered mail with the competent Regional Tax office. According to the information published the electronically submission will be possible beginning from October 2014. Late or non-filing of the declaration form is subject to penalties in accordance with the Albanian Law "On Tax Procedures".

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