

## Increase of non-taxable income from employment

In light of the sixth tax reform for the year 2024, in November 2023 the Minister of Finance has announced the Bylaw on amendments and additions to the Personal income tax bylaw (Official Gazette No. 143/2023).

The most significant amendments to the Personal Income Tax bylaw concern the increases of non-taxable allowances, subsidies, rewards, and other benefits paid to employees, and these changes came into effect on 1 January 2024. We outline below some of the amendments:

Non-taxable income from employment relating to allowances, subsidies, rewards, and other types of income	Before the amendments (EUR)	After the amendments (EUR)
Specially awards (Christmas bonus, annual leave compensation, etc.)	up to 663.62 annually	up to 700.00 annually
Awards to employees for 10 to 40 years of employment and every subsequent 5 years of employment	up to 199.09 / 663.62	up to 280.00 / 672.00
Compensation for living separately from the family	up to 232.27 monthly	up to 280.00 monthly
Retirement severance payment	up to 1,327.24	up to 1,400.00
Severance payment due to business-related or personal terminations, according to the law regulating employment	up to 862.71 for every year of service with that employer	up to 896.00 for every year of service with that employer
Severance payment due to employment-related injury or professional disease	up to 1,061.79 for every year of service with that employer	up to 1,120.00 for every year of service with that employer
Support for the child of a deceased or former employee who has completely lost work capacity for education up to the age of 15 or until the completion of elementary education	up to 232.27 monthly	up to 560.00 monthly

Non-taxable income from employment relating to allowances, subsidies, rewards, and other types of income	Before the amendments (EUR)	After the amendments (EUR)
Gift to a child up to 15 years old (who has turned 15 by December 31 of the current year)	up to 132.27 annually	up to 140.00 annually
Per diems for business trips within the country lasting more than 12 hours a day and per diems for fieldwork within the country	up to 26.55	up to 30.00
Per diems for business trips within the country lasting more than 8 hours but less than 12 hours a day	up to 13.28	up to 15.00
Support for newborns	up to 1,327.24	up to 1,400.00
Compensation for the use of a private car for business purposes	up to 0.40 per kilometer	up to 0.50 per kilometer
Cash rewards for work results and other forms of additional employee remuneration (additional salary, supplement to the monthly salary, etc.)	up to 995.43 annually	up to 1,120.00 annually
Compensation for the costs of hospitality, tourism, and other services intended for employee's holiday according to the regulations of the ministry responsible for tourism	up to 331.81 annually	up to 400.00 annually
Lump sum cash allowances for the costs of food for employee	up to 796.44 annually	up to 1,200.00 annually
Employee's meal expenses incurred during employment based on trustworthy documentation	up to 1,592.76 annually under the condition that the invoices for food services are issued to the employer and are paid with a non-cash payment method.	up to 1,800.00 annually under the condition that the invoices for food services are issued to the employer and are paid with a non-cash payment method.
Premiums for supplementary and additional health insurance based on trustworthy documentation	up to 331.81 annually settled by a non-cash payment method.	up to 500.00 annually settled by a non-cash payment method.
Lump-sum cash allowances for employee expenses for work at a remote workplace in accordance with the regulation governing employment	up to 3.98 per day of working from home and up to 66.37 monthly	up to 4.0 per day of working from home and up to 70.00 monthly

Non-taxable income from employment relating to allowances, subsidies, rewards, and other types of income	Before the amendments (EUR)	After the amendments (EUR)
Disability subsidies for employee	up to 331.81 annually	up to 560.00 annually
Subsidies in case of the death of an employee	up to 995.43	up to 1,120.00
One-time subsidies in the event of the death of a close family member of employee (spouse, parents, parents of the spouse, children, other direct ancestors and descendants, adopted and foster children, and adults under the care of the taxpayer appointed as a guardian under special legislation)	up to 398.17	up to 560.00
Subsidies due to continuous employee's sick leave exceeding 90 days. The period of sick leave longer than 90 days may not relate to a single calendar year.	up to 331.81 annually	up to 560.00 annually



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