

**COMPANY PERSONNEL - FROM THE SALARY TO ACCOUNTING****Lucia MOROSAN-DANILA***Stefan cel Mare University of Suceava, 720229, Romania  
lucia.danila@usm.ro***Emanuela–Marinela FERCAL***Stefan cel Mare University of Suceava, 720229, Romania  
fercal.emanuela@yahoo.com***Abstract**

*The activity of the personnel within the companies is a vital one, involving complex activities and procedures, starting from the necessity of hiring, attracting the right people, placing them at the working place and then managing and remunerating them. This paper aims to present theoretical and practical aspects regarding the remuneration of staff of private companies in Romania, based on the analysis of specialized literature, legislation in the field of work and taxation. The case study presents an example of a service company in Romania, starting from the personnel hiring procedures, their salaries and the recording of the accounting operations involved. The importance of personnel salaries must be recognized as a form of fair remuneration for work, employee motivation, increasing the standard of living of employees, maintaining and increasing the profitability of the company, etc.*

**Key words:** *Employee accounting; payroll; personnel; salary.*

**JEL Classification:** *J31, M41, M54*

**I. INTRODUCTION**

For most entrepreneurs, accounting records, management, employment services and the payment of taxes and fees in Romania represent an unpleasant obligation that they must manage in accordance with the legislation.

Regardless of whether a Romanian employer hires a Romanian or a foreign individual, he must fulfil certain obligations. According to Romanian law, in order to hire foreign nationals, employers must go through certain steps which, for non-EU nationals, are not very simple compared to other countries. Therefore, the difficulty of the employment process depends on the locality of the citizen who is looking for a job in Romania.

In the development of economic activity, human resources play an important role, which is why the management of these resources and the aspects related to them is an aspect that all economic entities should pay attention to (Bordeianu and Morosan-Danila, 2013). An important aspect related to the management of human resources is represented by the salary and remuneration system, because if a balance is not created between the needs of employees and their remuneration, the economic entity will face low morale, lack of motivation, aspects that will negatively influence productivity, the turnover and implicitly the profitability of the economic entity (Morosan-Danila et al, 2013; Albu and Morosan-Danila, 2009).

The management of the payroll system requires a thorough knowledge of the accounting and fiscal regulations, specific to each sector of activity (public or private). This background knowledge stems from the fact that the accountant will be assigned potential liability for claims specific to an unfair employment practice or discriminatory pay practices. The main aspects from the point of view of fiscal regulations that must be known are: the deductibility of certain expenses assimilated to personnel, the calculation of the size of the tax and social contributions related to salary income.

Employees are subject to the law of value, the payment of wages by the employer to his employees being mandatory by law. In these conditions, employees have a use value, a value that is reflected by their productive potential and is supplemented by the creative potential or to bring more value in the performance of their work (Albu and Morosan-Danila, 2009). Thus, the employer's desire to establish employment relationships is justified and motivated. The employer does not purchase the working time or the actual work performed by an employee, but purchases the workforce for a determined period of time.

In this paper we addressed theoretical and practical aspects related to the management of the payroll system in Romania, exemplified by an application to a service company.

## II. GENERAL ASPECTS REGARDING STAFF REMUNERATION

In general, every company has both tangible and intangible elements such as: environment, vision and mission, values, goals, strategies, authorities, work, people and other resources (land, labour, capital, entrepreneurship and technology). The only living thing among these elements are human beings, who have entered into contractual relations with the company to offer their capabilities in exchange for rewards received in various forms, the most common form being the salary.

In Romania, the concepts of “wage” and “salary” are synonymous, they refer to the amount received by an employee, according to foreign literature there is a differentiation regarding these concepts as follows: “wage” represents the daily remuneration of an employee, while “salary” represents the weekly or monthly remuneration of an employee. There are views, however, that “in the past, there were important distinctions between remuneration and salary, but today, the words are used interchangeably, reflecting the convergence of the method of paying skilled and unskilled workers that has occurred over 40 years. A salary was defined as a fixed annual sum paid monthly. Instead, remunerations were variable weekly payments (usually made in cash) that fluctuated in value through overtime, bonuses, etc. Wages were determined individually; remunerations through management / union collective negotiations” (Sule et al., 2015). Today, however, many workers are unionized and paid according to union-negotiated wage scales with annual increases; while a large number of wage earners now receive relatively stable incomes over time.

The word salary comes from “salarium” (in Latin), which meant the salary/value in money paid to soldiers so that they could procure salt when they were not given the amount of salt that was due to them in kind.

The explanatory dictionary of the Romanian language defines salary in two ways, namely:

- “The consideration for the work performed by the employee based on the individual employment contract, which includes the basic salary, allowances, increments and other additions;
- Amount of money a person receives for the work done in a period of time (week, month)”.

According to art. 159, para. 1 of Law no. 53/2003 regarding the Labour Code, the salary is defined as representing “the compensation for the work performed by the employee based on the individual employment contract”. Another legal definition of the notion of salary is the one found in Law no. 153/2017 regarding the remuneration of staff paid from public funds, respectively: “the amount of money to which the staff paid from public funds is entitled on a monthly basis, corresponding to the position, professional degree/step, gradation, seniority in the specialty”.

The American Business Group defines the term “salary” as “a reward given to each employee in exchange for his contribution to the success of the company” (Marina, 2013). As can be seen, the definition given by the Romanian legislation specifically targets the workload of the human resource that must be rewarded, while the definition given by the American Business Group states that the result and not the effort is rewarded.

From the point of view of the Constitutional Court of Romania (CCR) “salary is a component of the right to work and represents the consideration of the employer in relation to the work performed by the employee based on employment relationships” (Decision 872/2010).

According to the same institution, the salary is treated as “a component of the right to work”, i.e. an amount that the employer pays to the employee in relation to the work that he has performed based on employment relationships. According to the Decision of the Constitutional Court “the right to salary is the corollary of a constitutional right, namely the right to work” (Decision 874/2010).

The concept of salary is also associated with the notions of remuneration or retribution or is confused with the notion of income. However, the concept of “income” defines a more complex notion, which includes, in addition to salary, earnings from other activities. These take the form of rents, interest, annuity or profit” (Costisor, 2011).

“The classics of political economy considered wages as income that rewards work” (Tudorache, 2017). The salary was explained by a theory, namely by the theory of the cost of training employees, a vision in which the salary represented a monetary value that ensures the minimum sufficient for the employee to be able to support his family.

If we refer to what IAS 19 specifies regarding the meaning of staff income, defining “employee benefits as all forms of compensation granted by an enterprise in exchange for the service provided by employees” (IAS 19).

If we analyse the meanings above, attributed to the salary, two situations are identified: the salary represents an income, respectively the salary represents a cost. In this perspective, derived expressions such as: direct or indirect salary, gross or net salary, minimum guaranteed salary or basic salary have appeared and are used. The appearance and development of these concepts attributed to the salary are attributed to the “different” optics related to the salary but also to the contributions made by the economic schools of thought in an attempt to

clarify it.

The payroll system has a very important but also complex role in labour law. In Romania, after 1989, the salary system changed continuously, the transformations undergone being very profound.

Law no. 53/2003 on the Labour Code does not explicitly provide the principles regarding the establishment of the salary system, but they can be summarized from the content of the law, as follows:

1. for equal work, any discrimination regarding the elements and conditions of remuneration is prohibited (art. 6, par. 3);

2. the confidential character of the salary (art. 163, paragraph 1).

The payroll system in a company represents an aspect on which the management pays particular attention because the payroll of human resources represents, most of the time, an important expense, if not the biggest one, but for employees it represents an income, respectively the income received as a result of their work.

At the level of a company, the establishment of a remuneration system can have consequences on the financial balance, in the sense of the imbalance of the company, on the social balance, by establishing a differentiated salary system between certain categories of employees, it can also have consequences on the motivation and the individual situation of each employee. That is why the fixation of the salary system must be carried out with caution as objectively and rationally as possible, all the more since it is considered to be a variable of economic as well as social regularization.

In Romania, the minimum wage in the economy is regulated by law. At the present time, the level of the minimum gross salary in the economy is 2,550 lei, regardless of the level of education of the employees, according to GD no. 1071/2021.

From the accounting point of view, the salaries granted to the staff represent for the employer a debt (recognized as a liability element), respectively an expense (labour cost, living labour expenses). In the situation where the employer pays his employee an amount greater than the calculated salary expense, this amount is accounted for as advances granted to him, being reflected as a patrimonial element of assets.

In the case of employees paid by employers, private legal entities, debts regarding employed personnel are established by the individual employment contract, according to Law no. 53/2003 regarding the Labour Code, while the salary rights due to employees paid from public funds are established by the individual employment contract, however, exclusively, according to the provisions of Law no. 153/2017 regarding the salary of staff paid from public funds (Mihalciuc, 2020).

The documents that are the basis for establishing the size of salary debts and receivables are: the time sheet, the attendance record, the collective time sheet, production report, the time sheet of the works performed, the salary statement, the list of monthly advances, the list of allowances for vacations rest, salary record sheet, etc., depending on the specifics of the employer's object of activity.

Employers owe, depending on the wage fund, contributions that affect the wage rights due to employees (Nastase and Morosan-Danila, 2016; Morosan-Danila and Chirita, 2009; Chirita and Morosan-Danila, 2009; Morosan-Danila, 2008). The payment of the value of the contributions will be made no later than the 25th of the following month for the completed month or the 25th of the month for the completed quarter (for economic entities that have up to 3 employees and no changes occur during the quarter).

In the following example, we will notice that the value of costs related to payroll are high, especially from the point of view of taxes and contributions to the state budget, companies finding diverse methods of avoiding them (Morosan-Danila and Bordeianu, 2021b; Grigoras-Ichim and Morosan-Danila, 2020a, 2020b), but in the same time, assuring the quality and the compliance with the legislation (Grigoras-Ichim and Morosan-Danila, 2016).

### III. THE ORGANIZATION OF HUMAN RESOURCES AT THE LEVEL OF THE ANALYSED ORGANIZATION

The case study presented below is based on the company ALFA SRL, whose main form of activity is "Manufacture of bread, cakes and fresh pastry products", represented by CAEN code 1071, and activates in Romania. ALFA SRL has its registered office in Suceava and operates locally through two work points respectively: laboratory and cake shop. The production process takes place in the laboratory premises, the finished products are obtained which are later sent to the cake shop where retail sale is carried out either by table service or to go.

The cake shop offers a diverse range of cake shop and pastry products both from the established range (eclairs, savarins, amandine), as well as products made according to their own, traditional recipes, whose recipes do not contain additives, colourings, but are based on simple ingredients that the facility's management strives to purchase them mainly from the organic and/or eco range, from local sources whose production processes are known and verified.

Commercialization is done through the work point, the confectionary that offers table or takeaway service or based on orders for various occasions or events such as: New Year's Eve, religious holidays (Easter, Christmas), Valentine's Day, March 1, March 8, weddings and baptisms, birthday cakes or various other occasions.

The confectionery is equipped with modern equipment for mixing the composition and its heat treatment and high-performance refrigeration equipment, which complies with all European standards, for the transport and short-term storage of the products.

The company has only 9 employees, who are employed on the basis of individual employment contracts, and the working conditions are presented in Table no. 1.

**Table 1. The staffing situation of the ALFA SRL**

No. crt.	Function	Staffing hours per day	Timetable	Work schedule	Staffing salary (in lei)	Remarks
1.	CEO	8	Monday - Friday	9.00 – 11.30 12.30 – 18.00	5,000	-
2.	Accountant	4	Monday - Friday	15.00 – 19.00	1,500	-
3.	Pastry Chef	8	Monday - Saturday	8.00 – 12.00 13.00 – 17.00	4,800	A weekend allowance of 1% of the gross salary is granted
4.	Pastry cook (2 persons)	8	Monday - Saturday	8.00 – 12.00 13.00 – 17.00	3,800	
5.	Seller (3 persons)	12/24	Monday - Sunday	8.00 – 20.00	2,800	
6.	Dishwasher	8	Monday - Saturday	8.00 – 12.00 13.00 – 17.00	2,550	

Source: Personal projection of the authors

The responsibilities for recruitment and human resources management rest with the CEO and the accountant, the tasks being divided as follows:

- the responsibility of the CEO include: establishing the necessary personnel, recruitment, training (according to the job description and internal regulations) and training of personnel, payment of salaries, representation of the unit in the relationship with public institutions, the ability to carry out inspections [Territorial Labour Inspectorate (ITM), Directorate of Public Health (DSP), etc.], training in terms of Occupational Safety and Health (OSH) are;

- the accountant is responsible for: verifying whether the attendance record has been completed and signed correctly on a daily basis, drawing up the time sheet and payroll based on the attendance record, communicating to the employee the amounts due according to the period worked and the provisions of the employment contract, drawing up and sending related declarations, the transfer of contributions to the state budget.

In practice, the procedure applied by employees with specific human resources tasks is as follows:

#### *1. Staff recruitment.*

The general manager makes the employment announcement public, by displaying it in plain sight in the workplace, informs the employed staff of the intention to hire one more person so that they can contact him with potential candidates, and an announcement is published in the local press. Then contact the candidates and organize the interview, which has the role of providing the director with the necessary information to make the hiring decision; the information is about: the experience he has acquired for the requested position, the candidate's willingness and openness to attend training courses or to work overtime only when the size of the requests is increasing and the fulfilment of the orders taken requires this (usually in the case of Christmas, Easter, Valentine's Day, March 1 and 8), the salary level that the candidate wants. During the interview, the CEO presents the candidate with the working conditions, the level of salary offered, the method of remunerating overtime work and the days off granted.

After taking the hiring decision, the CEO hands the candidate a list of documents based on which the hiring process will be completed and asks him to present them at least 2 (two) days before reporting to work. Among the documents requested in order to conclude the employment contract are: identity card (copy); study documents of the last schools graduated (in copy); certificate from Occupational Medicine, in which it is clearly specified that he is "fit for the work to be performed"; an assignment provision for the position to be employed issued by the County Employment Agency (AJOFM); documents showing the identification data of the dependents of the employee (if applicable).

The employee presents the requested documents that are made available to the accountant; he draws up the individual employment contract, the job description and the evaluation criteria specific to the position held, presents them to the future employee who signs for acknowledgment and receives a copy of them for possible

subsequent consultations; after the individual employment contract is also signed by the CEO, a copy is given to the employee and the contract is registered in the Electronic Employee Record Register and, subsequently, transmitted electronically to ITM. The signing, registration and transmission of the individual employment contract must be done at least one working day before it enters into force.

The last stage of completing the employment formalities is entering the specific information of the candidate to be hired into the computer program used to calculate salary rights and record them in accounting, including the declaration and payment of related tax obligations.

### *2. Managing staff relations.*

During the period of the individual employment contract, the CEO is the person responsible for coordinating the staff, establishing the work schedule, measuring the degree of satisfaction of the employees; also communicates with employees to avoid misunderstandings and misinterpretations, generally maintaining a work atmosphere without tensions and/or misunderstandings. The CEO is also the one who approves requests for leave and makes sure that the related requests are signed by the employees and later sent to the accountant.

The accountant checks the attendance record monthly to make sure that it is filled in correctly and that it is signed by the employees, if errors are found, they are brought to the attention of the CEO for correction; subsequently, the accountant completes the time attendance in the computer program and based on it the spot reports, keeps track of the days of rest that belong to each employee, as well as their completion, days of sick leave and hours of leave, prepares and transmits monthly, online statement 112 "Declaration regarding the obligations to pay social contributions, income tax and the nominal record of insured persons", registers, based on the verified documentation, any changes to the employment contract in the Electronic Register of Employee Records and transmits them online, in compliance with the legal deadlines, to ITM. It is also responsible for drawing up, at the request of the employees, the salary certificates, the certificates with the days of leave, and at the conclusion of the employment contract, it issues the seniority certificates, making sure that they are signed by the CEO, and hands them to the employees for the signature of reception.

### *3. Termination of staff employment.*

If an employee wishes to terminate an individual employment contract, he or she informs the CEO of this verbally and in writing, depending on the cause. The employee will complete a request for the termination of the employment contract either by resignation with 15 calendar days' notice, or by agreement of the parties, in which case the effective date of the termination of the employment contract will be established by mutual agreement between the employee and the manager. The CEO gives a registration number to the request and signs the acknowledgment request and then forwards it to the accountant. At the end of the notice period, after the employee hands over the management (if applicable), the accountant prepares the specific decisions and certificates, as well as all other documents occasioned by the termination of the individual employment contract and transmits them online to ITM. These documents are drawn up in two original copies, one being handed to the employee who leaves the company, and the other being archived in the employee's personal file.

It must be emphasized that the companies must continuously adapt to the current situation in the region/country, the evolution of the labour market, the emergence of different possibilities for financing or subsidizing the work of employees, as well as offering solutions to improve and recover the activity (Morosan-Danila et al, 2021; Bordeianu et al., 2021; Morosan-Danila and Bordeianu, 2021a, 2020; Morosan-Danila et al, 2020).

## **IV. ACCOUNTING OF SETTLEMENTS WITH THE PERSONNEL OF THE ANALYSED COMPANY**

In order to exemplify the economic operations that reflect the company's relationship with its own employees, the May 2022 payroll will be used as a supporting document.

The situation for May 2022 is as follows:

- The accountant is employed with a standard of 4 hours/day, the employment salary according to the individual employment contract is 1,500 lei/month, he no longer has an individual employment contract anywhere and is a graduate of higher education. Since this employee works 4 hours/day, the salary granted complies with the provisions regarding the minimum guaranteed salary which is granted proportionally to the working rate.

- The employment salary of the other employees is: Pastry Chef – 4,500 lei/month, Pastry cook (2 persons) – 3,800 lei/month, Seller (3 persons) – 2,800 lei/month, Dishwasher – 2,550 lei/month, and they were also granted a weekend bonus of 1% calculated on the gross employment salary. Of these 7 employees, 5 do not declare that they have dependents, and two employees (employee 4 and employee 5) each have one or two dependents.

- An employee (a pastry cook), according to a request for termination of employment submitted to the CEO, no longer works at ALFA SRL after 15.05.2022, having 10 working days, 8 hours each day.

- From 25.05.2022 ALFA SRL hires a new employee, who, due to the fact that he did not work overtime on Saturdays or Sundays, did not benefit from the weekend bonus. The new employee has registered 5 working days, with 8 hours per day and has declared that he has no other dependents.

- The CEO works and, according to the signed employment contract, is registered with 8 hours a day and a gross salary of 5,000 lei. The CEO is on medical leave for the last 15 days of the month due to the risk of pregnancy.

1) Calculation and accounting of the salary for the management and administrative staff are reflected in Table no. 2.

**Table 2. The staffing situation of the ALFA SRL**

Calculation sheet for salaries - May 2022	Staffing salary for CEO	Staffing salary for accountant
Gross income	5,000	1,500 (1200 lei salary + 300 lei allowance)
Realised gross income	2,273	1,500
Income related to medical leave	2,160	0
Total gross revenues	4,433	1,500
Social security contribution (25%)	1,108	375
Social health insurance contribution (10%)	227	150
Personal deduction	405	510
Basic income calculation	533	465
Income tax (10%)	53	47
Remaining payment	3,045	928
Insurance contribution for work (2.25%)	51	34

Source: Personal projection of the authors

As we stated above, the CEO was on medical leave due to a high-risk pregnancy during the last 16 days of the month, i.e. between May 15, 2022 and May 31, 2022. Considering the reason for which he was granted medical leave, it will be fully covered from the budget of the Single National Social Insurance Fund.

The calculation of sick leave is done in the calculation sheet from Table no. 3.

**Table 3. Calculation sheet for medical leave**

Month	Year	Working days	Worked days	Medical Leave Days	Total salary	Medical Leave Allowances	Gross income
<b>11</b>	2021	21	21	0	5,000	0	5,000
<b>12</b>	2021	22	22	0	5,000	0	5,000
<b>01</b>	2022	20	20	0	5,000	0	5,000
<b>02</b>	2022	20	20	0	5,000	0	5,000
<b>03</b>	2022	23	23	0	5,000	0	5,000
<b>04</b>	2022	19	19	0	5,000	0	5,000
<b>Total</b>		<b>125</b>	<b>125</b>	<b>0</b>	<b>30,000</b>	<b>0</b>	<b>30,000</b>

Total number of days worked, including vacation days: 125 days;

Total number of working days of leave: 12 days;

Total gross income calculated for the 125 days: 30,000 lei;

Calculation basis for the sick leave allowance:  $30,000/125=240$  lei/day;

The value of the social health insurance allowance:  $= 240 \times 75\% \times 12 \text{ days} = 2,160$  lei.

The CEO's medical leave form accompanied by an application and the details of the calculation method will be submitted to the County Health Insurance House in order to recover the amount paid to the employee, the term being 90 days from the deadline for submitting the tax return related to the month in which the employee benefited from medical leave. In the present case, the leave is related to the month of May, the deadline for submitting the tax return related to the month of May is June 25, so the deadline for requesting the recovery of the amount of 2,160 lei is 90 days starting from June 25, 2022.

2) Calculation and accounting records for productive personnel

For the other employees, the following aspects were taken into account (Table no. 4):

- The weekend increment is granted at the value of the gross salary, as a percentage of 1%, as follows: full increment for employees 1, 2, 4, 5, 6, and for employee 3 who did not work the whole month (his employment contract being terminated starting from 16.05.2022) the increase is 19 lei; the new employee did not work on the weekend, which is why he did not benefit from this increase in May;

- Employee 2 benefited from a day's leave without pay upon request, thus he receives a gross salary of 3,627 lei;

**Table 4. Worksheet for technical staff of the ALFA SRL**

Calculation sheet for salaries - May 2022	Employee 1	Employee 2	Employee 3	Employee 4	Employee 5	Employee 6	Employee 7	New employee	Total
Gross income	4,800	3,800	3,800	2,800	2,800	2,800	2,550	3,800	27,150
Permanent increase (weekend 1%)	48	38	19	38	38	38	26	0	245
Realized gross income	4,848	3,665	1,746	2,838	2,838	2,838	2,576	864	22,213
Social security contribution (25%)	1,212	916	437	710	710	710	644	216	5,555
Social health insurance contribution (10%)	485	367	175	284	284	284	256	86	2,221
Personal deduction	0	0	510	400	560	240	315	510	2,535
Basic income calculation	3,151	2,382	624	1,444	1,284	1,604	1,361	52	11,902
Income Tax (10%)	315	238	62	144	128	160	58	5	1,110
Remaining payment	2,836	2,144	1,072	1,700	1,716	1,684	1,538	557	13,247
Employment insurance contribution (2.25%)	109	82	39	64	64	64	58	19	499

Source: Personal projection of the authors

3) Registration in financial accounting of salary operations

Centralized, on the total payroll for May 2022, the accounting entries are:

a) Registration of salary expenses, in the total amount of 25,986 lei, according to the payroll:

25,986	641 / "Staff salary expenses"	=	421 / "Personnel - salaries due"	25,986
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b) Registration of the social insurance contribution, in the amount of 6,498 lei, according to the payroll, differentiated for salary income:

6,498	421 / "Personnel - salaries due"	=	4315 / "Social insurance contribution"	6,498
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c) Registration of the social health insurance contribution, in the amount of 2,598 lei, according to the payroll:

2,598	421 / "Personnel - salaries due"	=	4316 / "Social health insurance contribution"	2,598
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d) Registration of the tax calculated and withheld, in the amount of 1,210 lei, according to the payroll:

1,210	421 / "Personnel - salaries due"	=	444 / "Tax on income of the nature of wages"	1,210
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e) Registration of the expenditure with the insurance contribution for work, in the amount of 584 lei, according to the payroll:

584	646 / "Expenses regarding insurance contribution for work"	=	436 / "Employment insurance contribution"	584
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f) Registration of the compensation related to the medical leave, in the amount of 2,160 lei, according to the payroll:

2,160	4382 / "Other social claims"	=	423 / "Personal - material aid due"	2,160
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g) Registration of the social insurance contribution, in the amount of 540 lei, for the medical leave:

540	423 / "Personal - material aid due"	=	4315 / "Social insurance contribution"	540
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h) Salaries are paid on June 1, 2022 in cash, in the amount of 14,175 lei, the related accounting note being the following:

	%	=		
12,555	421 / "Personnel - salaries due"		5311 / "The house in lei"	14,175
1,620	423 / "Personal - material aid due"			

i) The debts to the state budget related to salary income are paid, in cash, in the amount of 11,430 lei and the registration is:

	%	=		
7,038	4315 / "Social insurance contribution"		5121 / "Bank in lei"	10,846
2,598	4316 / "Social health insurance contribution"			
1,210	444 / "Tax on income of the nature of wages"			
584	436 / "Employment insurance contribution"	=	5121 / "Bank in lei"	584

j) On the date of collection from the County Health Insurance Office of the allowance for medical leave, in the amount of 1,891 lei, the registration of the recovery of the amount, according to the account statement, will be:

2,160	5121 / "Bank in lei"	=	4382 / "Other social claims"	2,160
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**V. CONCLUSION**

The attention paid to payroll is justified by the fact that employees are, on the one hand, indispensable to the performance of any activity, and on the other hand, by the fact that they are a very expensive resource.

Any activity, be it production, trade or service provision, public or private, is based on the employed staff, without which the other resources cannot be used, essentially the activity cannot be carried out. But, concluding an employment contract is not final, a dissatisfied employee can always resign and leave the entity. The main motivational factor of the employee is the salary obtained, one of the main reasons why the employee comes to work.

For the employer, the salary of the employees is a way to attract them to his activity, but also a significant expense that he tries to keep as low as possible and to obtain as much benefit from it as possible (Bordeianu et al., 2021; Morsan-Danila and Bordeianu, 2021a; Morosan-Danila et al, 2020). In conditions where the employee wants a higher salary and the employer wants to keep salary expenses at the lowest possible level, the salary can become a reason for divergence between the employee and his employer. This is how the need arose for the legal regulation of some aspects regarding labour remuneration such as: the guaranteed minimum wage at the national level, the standard of work, vacation leave, contributions related to the salary, aspects regarding the protection, health and safety of work, the formalities that must be fulfilled in order for an employment contract to produce legal effects or the conclusion of collective employment contracts at branch level.

The salary and especially its level is of interest to the state institutions both from the perspective of the salaries that must be paid to civil servants (this being an important chapter in the state budget), and from the perspective of the salaries received by private sector employees, salaries that will be spent in total or at least in part on goods and services influencing the gross domestic product and which generate fiscal obligations (these being important budget revenues). Salary is treated carefully even by accountants and managers of human resources departments because it is their responsibility to establish and correctly account for it.

In addition to the basic salary, employees can earn other incomes assimilated to salaries, such as bonuses established on the basis of performance criteria, increases granted for length of service, special working conditions, overtime or work on days off, the thirteenth salary, bonuses granted on the occasion of legal holidays (Easter, Christmas).

The most important and most used form of salary is the monetary one, but in various social and economic contexts other forms of salary have appeared through different benefits that are added to the employment salary established by the individual employment contract, such as: meal vouchers, holiday vouchers, gift vouchers or other categories such as: days off other than non-working days or public holidays, access to certain facilities (libraries, gyms, nurseries or kindergartens for employees' children), free training and specialization courses, etc.

The salary, seen from the point of view of the employee, the employer and the state institutions, is of capital importance whether it takes the form of income or that of expenditure; none of the parties involved overlooks it, whether the salary is an end (in the case of the employee) or a means to the end (in the case of the



employer).

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