

Conceptual and fiscal approaches regarding the income earned by employees of a freight railway company

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Abstract

The particularities of payroll in the freight railway sector require a complex fiscal and accounting framework, adapted both to the specifics of the activity and to the applicable legal regulations. The paper presents a detailed analysis of the accounting and fiscal treatments applicable to salaries and salary-like income, highlighting the application of mandatory contributions and the recording of various employee benefits. The case study, conducted within DB Cargo Romania, illustrates the ways in which salaries are granted in cash and in kind — from base salary and allowances to meal vouchers, holiday vouchers, medical subscriptions, or company cars. Both the motivations for granting these benefits (employee retention, performance, social protection) and the fiscal implications of each form of remuneration are analyzed. The study provides concrete examples of calculations and accounting entries, correlated with the provisions of the Fiscal Code and [17].

Keywords: salary income, fiscal treatment, benefits in kind, social contributions, payroll accounting

1. Introduction

Salary income and associated employee benefits must be managed in accordance with current legal provisions, both from the perspective of labor relations and fiscal obligations. Thus, the individual or collective employment contract, together with regulations in the Labor Code and Fiscal Code, establishes the legal framework for payroll in Romania.

From a fiscal perspective, the income earned by an individual under an employment contract falls under the provisions of Article 76 of the Fiscal Code, which classifies it as salary income and salary-like income. This income can be granted in cash or in kind and includes, in addition to the base salary, various other forms of remuneration: bonuses, premiums, allowances, vouchers, or other benefits provided by the employer. At the same time, the law also establishes exceptions — income that is not subject to taxation under specific conditions.

Benefits in kind include, by way of example, personal use of company assets (car, phone), medical subscriptions exceeding the non-taxable limit, and other benefits, with differentiated treatment for taxes and contributions [13].

From a fiscal standpoint, salary income and salary-like income refer to cash or in-kind amounts and benefits granted under an employment relationship, according to Article 76 of the Fiscal Code [14]. From an accounting perspective, employee benefits are treated as short-term benefits (salaries, vouchers, per diems within limits, bonuses), recognized based on obligations at the time the work is performed [17].

This paper analyzes how accounting and fiscal treatments of salary income are applied within a company in the railway transport sector — DB Cargo Romania. The research has a strong practical focus, being based on a case study that follows the entire payroll process: from hiring and job classification to determining net income, granting extra-salary benefits, and accounting for them according to current accounting and fiscal regulations.

Freight railway transport plays an essential role in developing a sustainable and competitive transport market, but it has seen a decline in its market share compared to other competing transport modes, especially road transport [1]. The harmful externalities of goods transport have attracted the attention of researchers and specialists to investigate sustainable freight transport. Previous studies have examined sustainable logistics from various perspectives, but sustainable logistics specifically for railway transport has not been analyzed in depth [3].

2. Case of study

The case study was conducted within DB Cargo România SRL. In this company, the structure of salary income reflects both the specifics of the railway sector and the strict application of current fiscal regulations. DB Cargo România, as a freight railway transport operator and part of the German Deutsche Bahn group, operates in a highly regulated industry where internal organization plays a crucial role in the efficient conduct of activities.

The organizational structure is hierarchical, comprising strategic, operational, and technical management levels, as well as specialized support departments. Among these, the Human Resources Directorate and the Financial-Accounting Department play an important role in managing employment contracts and salary income.

The organization of activities requires a clear delineation of responsibilities between operational departments (e.g., Train Management, Railway Personnel, Maintenance) and administrative departments. Information and decision flows related to payroll start at the operational level, pass through direct management, and are centralized and managed by Human Resources. This approach allows for effective control over salary policies and ensures their alignment with the company's overall strategy.

2.1 General considerations regarding the wage policy of the analyzed company

The wage policy of DB Cargo România is built around principles of internal equity, transparency, and alignment with professional performance. The determination of base salaries takes into account several factors, including the level of the position, degree of responsibility, working conditions, and required qualifications. Additionally, the company has internal salary scales and a promotion system that allows salary increases based on seniority, accumulated skills, and periodic performance evaluations.

Regarding additional income, DB Cargo România applies a series of reward policies, including allowances (for shift work, difficult conditions, overtime, or work on public holidays), as well as annual bonuses or incentives based on achieving individual or collective objectives. These measures aim to stimulate performance, ensure the retention of qualified personnel, and maintain a motivating organizational climate.

A key role in establishing and implementing wage policies is played by the Collective Labor Agreement (CLA) applicable within DB Cargo România. This agreement is periodically negotiated between employer representatives and employee representatives through recognized unions, and it sets the general framework regarding the rights and obligations of the parties in employment relationships. Relevant provisions include minimum salary levels for certain staff categories, conditions for granting allowances and bonuses, and aspects related to working and rest hours.

The company's Internal Regulations complement these provisions by detailing codes of conduct, internal personnel evaluation procedures, and performance criteria that can influence salary levels. Together, the CLA and Internal Regulations ensure a fair and coherent framework for human resource management, promote transparency in salary-related decision-making, and ensure compliance with current legal norms.

The freight railway sector involves specific characteristics that directly impact wage policy. Continuous operations carried out in shifts, along with high responsibilities associated with railway safety, require recognition of additional salary rights for personnel directly involved in train operations. Consequently, railway staff receive specific allowances regulated both by labor legislation and internal policies, such as night shifts, weekend work, or allowances for difficult working conditions.

Additionally, given the high level of qualification required for certain positions (locomotive engineers, inspectors, dispatchers, etc.), the company implements employee retention and motivation policies, which may include loyalty bonuses, benefits packages, or continuous training programs.

All these elements define a complex wage management framework tailored to the realities of the railway sector, where maintaining a balance between economic efficiency and employee motivation is essential for the company's operational success.

2.2 Salary-related rights and obligations specific to the status of railway personnel

In any employment relationship, salary constitutes the main element of compensation for work performed and a fundamental right of the employee, enshrined in labor legislation. For railway personnel, this right takes on increased significance due to the specific working conditions, high responsibilities, and the essential role these employees play in ensuring the safety and continuity of railway transport.

Salary-related rights and obligations are primarily regulated by the Labor Code [10] and the Fiscal Cod [14], which establishes the fiscal treatment applicable to salary income and salary-like income. In companies such as DB Cargo România, the Collective Labor Agreement (CLA) also plays a crucial role, detailing salary rights in relation to the specific nature of railway activities.

According to the Labor Code, the salary represents the compensation for work performed by the employee under the individual employment contract, expressed in money and established through negotiation between the parties. The employer is legally obligated to pay the salary on the established dates, respect the guaranteed gross minimum wage, and ensure transparency in the calculation of salary entitlements. At the same time, the employee is required to perform their duties according to the job description and work schedule.

From a fiscal perspective, the Fiscal Code (Art. 76 of [14]) classifies salary income as income earned under an individual employment contract, including all cash and/or in-kind benefits provided to the employee. Salary-like income also includes allowances, bonuses, premiums, vouchers, or any other forms of remuneration. These incomes are subject to income tax and mandatory social contributions (CAS, CASS, CAM).

In the specific context of DB Cargo România, the general legislation is complemented by the provisions of the company-level Collective Labor Agreement (CLA), which reflects the particularities of freight railway transport. The CLA sets salary levels for different positions, conditions for granting allowances (for shift work, work on non-working days, or under difficult conditions), payment deadlines, additional rights, and mechanisms for salary adjustments based on inflation or performance.

Railway personnel benefit from a special legal regime, regulated by Law no. 195/2020 [11], regarding the status of railway personnel, which establishes both professional rights and obligations for employees working in this sector. This law complements the Labor Code and sets specific

conditions regarding employment, professional training, work schedule, remuneration, and benefits for staff directly involved in railway operations. According to this law, railway employees are entitled to salary treatment commensurate with the risks and responsibilities of their work. Additional obligations include maintaining adequate health, complying with safety standards, participating in training sessions, and refraining from alcohol consumption during work.

Although DB Cargo România is a privately owned company, as an authorized railway operator, it must comply with the regulations concerning railway personnel established by Law no. 195/2020 [11]. Therefore, the salary-related rights and obligations applicable to railway staff apply regardless of the employer's ownership structure. Employees in regulated positions, such as locomotive engineers, technical inspectors, or dispatchers, receive salary treatment comparable to that in public institutions or state-majority companies.

The structure of salary income in the railway sector reflects both legal regulations and the actual requirements of the work performed. The monthly salary consists of:

- **Base salary** – determined according to position level, experience, and responsibility;
- **Allowances** – for seniority, night work, difficult or hazardous conditions, extended shifts, operational availability;
- **Bonuses and premiums** – for performance, loyalty, public holidays, productivity;
- **Allowances** – for overtime, night work, relocation, special conditions;
- **Extra-salary benefits** – meal vouchers, holiday vouchers, per diems, transport reimbursements, medical assistance.

In addition to the base salary, railway personnel benefit from social and fiscal advantages regulated by [11]:

- Free travel passes for employees and family members;
- Partial reimbursement (50%) of vacation expenses;
- Financial aid for special situations (holidays, birth, death);
- Free medical care and psychological consultations;
- Tax exemptions for certain benefits, such as travel permits.

Table no. 1 – Extra-salary benefits and their fiscal treatment

Extra-salary Benefit	Income tax	CAS (25%)	CASS (10%)
Per diem	No	No	No
Meal vouchers	No	No	No
Holiday vouchers	No	No	No
Performance bonus	Yes	Yes	Yes
Company car	Yes	Yes	Yes

Source: Own contributions

All these elements contribute to the creation of a comprehensive, motivating, and legally compliant remuneration system that reflects the demands of work in the railway sector and ensures equity among employees, regardless of the employer's legal form.

Beyond its economic function, salary plays a crucial role in employee motivation and organizational stability. In the case of DB Cargo România, implementing a wage policy tailored to the specifics of railway operations helps retain qualified personnel, reduce turnover, and increase employee performance. In a sector where traffic safety depends on the competence and commitment of human resources, fair and predictable remuneration becomes an essential condition for operational and organizational success.

2.3 Structura si pachetul salarial la DB Cargo România

An employee's compensation package reflects the total monetary and in-kind rights that the employer provides in exchange for the work performed. At DB Cargo România, the structuring of salaries and associated benefits is adapted both to general legal regulations and to the specific requirements of the railway sector, characterized by high responsibilities, work under special conditions, and a distinct regulatory framework established by Law no. 195/2020, [11] regarding the status of railway personnel.

The compensation package consists of:

- **Gross base salary** – the main amount specified in the individual employment contract, representing fixed remuneration for the work performed by the employee, determined based on the position held, level of qualification, and seniority;
- **Allowances** – for work under special conditions, night or weekend shifts, seniority, on-call availability, and other factors;
- **Allowances**
- **Bonuses and premiums** – granted for performance, loyalty, or special occasions;
- **Extra-salary benefits** – such as meal vouchers, holiday vouchers, per diems, transport facilities, and occasional financial aids.

Base salary is supplemented by allowances, calculated either as a percentage or a fixed amount depending on the nature of the work:

- **Seniority allowance** – granted as a percentage between 5% and 25%, depending on years of service;
- **Overtime allowance** – at least 75% of the base salary for hours worked beyond regular working hours;

- **Night work allowance** – at least 25% of the base salary for hours worked between 22:00–06:00;
- **Weekend and public holiday allowance** – between 75% and 100% of the base salary;
- **Allowance for difficult or hazardous conditions** – granted to employees working under special conditions, such as noise, stress, or dangerous environments.

Fixed allowances for personal events include:

- Marriage allowance: 1,500 RON;
- Birth of a child: 2,000 RON (for twins: 2,000 RON × 2);
- Death of a first-degree relative (spouse, child, parent): 2,500 RON.

Bonuses and premiums can be periodic or occasional:

- Individual performance bonus – awarded when an employee exceeds set targets;
- Annual bonus – linked to company profit, sometimes paid as a “13th salary”;
- Occasional bonuses for special events (Easter, Christmas, Railway Workers’ Day);
- Vacation bonus – granted once per year to support employees during holidays;
- Loyalty/jubilee bonuses for tenure milestones, for example at DB Cargo:
 - 5 years: 1,000 RON
 - 10 years: 1,500 RON
 - 15 years: 2,000 RON
 - 20 years: 2,500 RON
 - 25 years: 3,000 RON
 - 30 years: 5,000 RON
 - 35 years: 6,000 RON
- Retirement bonus upon leaving the company.

Monetary and in-kind benefits included in gross earnings:

Besides base salary and allowances, gross monthly earnings may include additional salary-related benefits, paid in cash or in kind. These are shown on the payslip and are subject, depending on their nature, to mandatory contributions and/or income tax.

Cash benefits:

- **Meal vouchers** – granted monthly at 35 RON per working day, partially included in gross salary depending on accounting policy; non-taxable within the legal ceiling, providing a consistent supplement for active employees;
- **Gift vouchers** – given during holidays or special events (Christmas, Easter), non-taxable within the legal ceiling, up to 300 RON per event;

- **Holiday vouchers** – granted annually, up to 6 gross salaries, non-taxable if within the legal ceiling, included in gross earnings in the month granted.

Table no. 2 – Examples of benefits granted to employees and their applicable fiscal treatment

Benefit	Description / Applied Conditions	Fiscal Treatment
Meal vouchers	35 RON per working day	Non-taxable
Holiday vouchers	Up to 6 gross minimum salaries per year	Non-taxable
Per diems	For business trips	Non-taxable
Occasional financial aids	Holidays, birth, death, serious illness	Taxable
Medical/psychological assistance	Free consultations and periodic evaluations	Non-taxable
Transport facilities	Free passes for employee and family, vacation reimbursement	Partially taxable

Source: Own processing based on internal data from DB Cargo Romania

In addition to these cash benefits, there are also extra-salary in-kind benefits, such as:

- Company phone / laptop / work equipment
- Company car
- Full reimbursement of transportation (commuting or urban transport)
- Private medical subscriptions (partner clinics)
- Free accommodation

The base salary represents the fixed component of the remuneration. It is determined according to internal salary scales and the minimum ranking coefficients established by [11], which take into account the employee's level of training.

Table no. 3 – Minimum ranking coefficients based on professional qualifications

No.	Position and Professional Level	Minimum ranking coefficient
1.	Unskilled workers	1,00
2.	Skilled workers	1,50
3.	Vocational school staff	1,40
4.	High school graduates	1,40
5.	High school graduates + vocational training	1,45
6.	Post-secondary school staff	1,50
7.	Foreman school graduates	1,60
8.	Short-cycle higher education graduates	1,80
9.	Long-cycle higher education graduates	2,20

Source: Own processing based on internal data from DB Cargo Romania

2.4 Forms of Remuneration

At DB Cargo România, the forms of remuneration are chosen based on the nature of the activity performed, the specifics of the position, and operational requirements. They are regulated by the Labor Code but can be tailored through the collective labor agreement and the company's internal policies.

- Time-based remuneration (salarizare în regie)

This is the most frequently used form in the company. Salary is calculated based on a fixed rate for a given period (e.g., monthly, hourly, daily), regardless of the actual volume of work performed during that period. It applies to administrative staff (HR, finance, commercial, logistics), management personnel (department heads, directors), and operational staff with fixed schedules (clerks, dispatchers, inspectors). Advantages include income stability and predictability, ease of administrative management, and rewarding continuity and presence.

Example: A railway dispatcher on time-based pay receives the same monthly base salary plus allowances for night and weekend shifts, regardless of the volume of traffic managed in a day.

- Piece-rate remuneration (salarizare în acord, individual or global)

This form is typically applied in technical or production activities where work can be quantified in measurable units (e.g., tasks completed, repairs finished, execution time). It usually applies in maintenance and repair workshops and for auxiliary technical staff (mechanics, electricians, welders). Advantages include rewarding productivity and efficiency and providing incentives for fast, high-quality results. However, disadvantages include potential pressure to prioritize speed over quality and the need for accurate work norm evaluation.

Example: A maintenance mechanic paid per completed revision. If the daily norm is 3 wagons and the mechanic completes 4, the income may exceed the standard base salary.

- Mixed system (time-based + piece-rate or time-based + bonuses)

This combined form includes a fixed base salary (time-based) and a variable component (piece-rate, performance bonuses, or operational indicators). It applies to locomotive drivers, sales staff, and support roles with monthly objectives (e.g., logistics, client service). Advantages include combining stable income with performance incentives, flexibility, and adaptability to context.

Example: A locomotive driver with a base salary on a time-based system may also receive bonuses for operating trains incident-free, fuel-efficient consumption, and adherence to the schedule.

Table no. 4 – Distribution of personnel by type of remuneration and departments

No.	Department Name	Time-based remuneration			Piece-rate remuneration			Mixed system remuneration		
		N	N+1	N+2	N	N+1	N+2	N	N+1	N+2
1.	Management	10	10	10	0	0	0	0	0	0
2.	Finance	18	20	22	0	0	0	0	0	0
3.	Operations	64	75	79	436	452	542	129	103	179

4.	Traffic Safety	6	8	9	0	0	0	0	0	0
5.	Maintenance	5	7	9	47	58	51	24	19	32
6.	Sales	6	5	5	0	0	0	4	4	4
7.	Projects	4	4	4	0	0	0	0	0	0
8.	Human Resources	7	9	10	0	0	0	0	0	0
9.	FLS (Full Load Solution)	6	7	8	0	0	0	0	0	0
Total Employees		126	145	156	483	510	593	153	122	211

Source: Own processing based on internal data from DB Cargo Romania

The significant increase in the number of employees in the operations and maintenance departments indicates an expansion of activities. The company's strategy appears to focus on increasing field personnel to support the core operations of the business.

Table no. 5 – Distribution of personnel by gender, age, and departments

Nr. crt.	Department name	Female				Male			
		< 30	30-40	40-50	> 50	< 30	30-40	40-50	> 50
1.	Management	0	1	1	0	0	1	5	2
2.	Finance	3	2	5	0	2	5	4	1
3.	Operations	5	3	6	2	158	276	197	149
4.	Traffic system safety	0	1	0	1	0	0	6	1
5.	Maintenance	0	0	0	0	26	21	38	7
6.	Sales	0	3	0	0	0	6	0	0
7.	Optimizare procese	0	2	0	0	0	2	0	0
8.	Resurse umane	1	3	3	3	0	0	0	0
9.	FLS (Full Load Solution)	1	0	0	2	1	3	1	0
Total Employees		10	15	15	8	187	314	251	160

Source: Own processing based on internal data from DB Cargo Romania

The table highlights the distribution of DB Cargo România employees by gender, age, and department. There is a predominance of men in technical and operational departments, while women are better represented in administrative and financial areas. Most employees fall within the 30–40 and 40–50 age groups, indicating a solid base of experienced personnel. The Operations department has the highest number of employees, reflecting the nature of the company's activities. Overall, the structure suggests a mature workforce, well-distributed across essential areas.

Table no. 6 – Employee distribution by geographical work area

No.	Area name	Number of Employees	Percentage
1.	Headquarters – București	467	48,62%
2.	Deva	51	5,26%
3.	Fieni	61	6,38%
4.	Taşca	43	4,49%
5.	Timișoara	81	8,48%
6.	Turceni	257	26,77%
Total		960	100%

Source : DB Cargo România

It can be observed that employee distribution is based on the area of activity. The majority of personnel (48.62%) work at the central headquarters in Bucharest, followed by the Turceni area, with 26.77% of employees—these being the key points of the company’s operations. Other areas, such as Timișoara (8.48%), Fieni (6.38%), Deva (5.26%), and Tașca (4.49%), have a smaller proportion of staff, likely due to the local nature of activities.

An important aspect to note is that when employees are assigned to work in areas other than their place of residence, the company provides per diem and accommodation. This benefit supports the staff and ensures the necessary flexibility for carrying out activities in different locations without causing financial or logistical difficulties.

2.5 Legal Conditions for Professional Training, Evaluation, and Motivation

In a strategic sector such as freight rail transport, human resources represent an essential pillar for operational safety and efficiency. For a company like DB Cargo Romania, the coherent integration of **professional training policies, performance evaluation, and differentiated remuneration** is a necessity, not just a legal obligation. These dimensions – training, evaluation, and motivation – are regulated by the **Labor Code**, supplemented by the provisions of the **Collective Labor Agreement (CCM)** applicable at the company level and the **Internal Regulations (ROI)**. Additionally, for railway personnel with regulated positions, the special provisions of [11] **regarding the status of railway personnel** apply.

Continuous professional training

Continuous professional training is an essential requirement in the railway sector, especially for operational staff directly involved in railway safety, maneuvering, or maintenance activities. DB Cargo Romania is legally obliged to provide both initial and periodic training for employees, in accordance with the Labor Code, the applicable CCM, and railway sector regulations. For critical roles, such as locomotive drivers or personnel responsible for traffic safety, participation in training

programs and periodic re-certification is mandatory. These programs include technical training, updates on legislative knowledge, psychological testing, and professional skills assessments. According to the CCM, employees are entitled to paid time off to participate in these activities, and training costs are fully covered by the employer.

A remarkable initiative in training is the launch of **DB Cargo Romania Academy** on July 27, 2023, the first private training and professional qualification center in the railway sector. Located in Craiova, the academy aims to train young people for key roles in rail transport, under modern conditions and aligned with European standards. During the courses, participants are company employees, with an active employment contract and guaranteed jobs upon completion and passing the exams. DB Cargo Romania provides modern educational infrastructure: tablets with internet access, interactive digital platforms, and an online library, contributing to the development of a new generation of railway professionals. This approach not only ensures compliance with the employer's legal obligations but also represents a strategic investment in operational continuity, traffic safety, and sustainable human resources in a sector with constant demand for skilled personnel.

Professional evaluation

Professional evaluation is an essential tool in human resource management, with a role in monitoring performance, identifying development needs, and supporting decisions regarding rewards, promotions, or continuous training. At DB Cargo Romania, the evaluation process is regulated by the Internal Regulations, the Collective Labor Agreement, and internal procedures specific to each department. Evaluations are conducted annually, with certain critical roles subject to additional periodic evaluations (e.g., drivers, inspectors, safety officers), according to railway sector requirements. Criteria are customized based on job nature and communicated to employees at the beginning of the evaluation period.

Evaluation criteria by type of personnel:

- **Locomotive drivers:** punctuality in train delivery; compliance with railway safety standards; optimal fuel consumption; absence of technical incidents caused by negligence or procedural violations.
- **Maintenance personnel:** quality and timeliness of technical interventions; time to resolve defects; compliance with maintenance standards for rolling stock.
- **Administrative staff (e.g., HR, finance, commercial):** achievement of efficiency objectives; meeting deadlines and accuracy of deliverables; interdepartmental collaboration and involvement in projects.

The evaluation process is transparent and participatory; employees are informed of the results and can provide feedback. Depending on performance, results may influence: annual bonuses, promotion or job rotation proposals, individual training plans, and periodic salary adjustments. Professional evaluation is not treated as mere administrative formality but as an active component of organizational culture, contributing to the continuous professionalization of employees and strengthening company performance.

Professional motivation

In a high-responsibility field like rail transport, employee motivation is essential to maintain engagement, loyalty, and long-term performance. At DB Cargo Romania, the professional motivation strategy is integrated into HR policy and continuously adapted to operational requirements and employee needs. Motivation is implemented through a **mixed approach – financial and non-financial**, depending on the job, individual contribution, and overall company context.

Financial motivation mechanisms:

- Performance bonuses – awarded monthly, quarterly, or annually based on operational or economic indicators (e.g., train punctuality, operational efficiency, financial results);
- Occasional bonuses – for holidays (Easter, Christmas, Railway Workers’ Day), loyalty, or work anniversaries;
- Additional salary rewards – for long-serving personnel or remarkable results;
- Flexibility in salary grids – to attract or retain specialists in scarce positions.

Non-financial motivation mechanisms:

- Additional days off – granted in certain cases to reward consistent engagement;
- Flexible benefit packages – depending on employee profile (medical subscriptions, transport support, flexible working hours);
- Personalized professional development programs – access to courses, certifications, or training at DB Cargo Romania Academy;
- Transparent communication – employees are informed about evaluation criteria, bonus systems, and advancement opportunities, providing clarity and confidence in the process.

Thus, DB Cargo Romania’s training, evaluation, and motivation policy contributes to employee **performance, loyalty, and engagement**, ensuring a professional framework adapted to the specific requirements of the railway sector.

2.6 Fiscal aspects regarding salaries and salary-like income

Salary income consists of the basic salary, allowances, bonuses, benefits in kind, and other compensatory elements, all subject to the fiscal regime established by the **Fiscal Code [14]**. The taxable base for **income tax (10% rate)** is calculated by deducting mandatory social contributions from the gross income, and whether a benefit is classified as non-taxable depends on meeting the conditions/limits provided by **Art. 76** and the methodological norms of [14].

The **income tax on salaries** is a flat rate of 10%, applied to the taxable base obtained after deducting social contributions from gross income. Employees contribute to:

- **CAS (25%)** – pension contribution,
- **CASS (10%)** – health insurance contribution, while the employer pays the **work insurance contribution (CAM 2.25%)**. From an accounting perspective, salary costs are considered short-term benefits and are recognized in the period they relate to, regardless of the payment date [5], [17].

In addition to the basic salary, fiscal legislation recognizes a series of **income assimilated to salaries**, such as travel allowances, benefits in kind (e.g., company car, medical subscriptions, mobile phones), bonuses, and vacation tickets/vouchers.

The table below summarizes the **fiscal treatment applicable to the main categories of salary income**, highlighting the obligation or exemption from social contributions and income tax.

Table no. 7 – Tax Regime

Type of salary income	Income tax	CAS (25%)	CASS (10%)	Remarks
Base salary	10%	Yes	Yes	Main source of employee income
Allowances (seniority, hazardous conditions)	10%	Yes	Yes	Granted based on the nature of the work
Bonuses and premiums	10%	Yes	Yes	Awarded based on performance
Meal vouchers	No	No	No	Extra-salary benefits deductible for the employer
Vacation vouchers	No	No	No	Granted in certain economic sectors
Travel/Per diem allowances	No	No	No	Exempt from taxation under certain conditions

Source: Own processing based on internal data from DB Cargo Romania

The gross salary is determined as the sum of the base salary, allowances, and other occasional income. Legal deductions are applied to this amount, resulting in the net salary. A concrete example can be seen in the payroll used at DB Cargo Romania, where for a locomotive engineer with a gross salary of 11,276 RON, the resulting net salary is 6,165 RON, after applying CAS, CASS, and income tax deductions. The payslip structure reflects the matching principle (personnel expenses are recognized in the period in which the work is performed) and the presentation of obligations to the budget as current liabilities until payment [17], [4].

To illustrate the practical application of fiscal treatments, below is an explanatory model of a payslip for an employee holding the position of locomotive engineer, detailing all salary and tax elements:

Table no. 8. Payslip

Employee Name: Employee 1 (Locomotive Engineer)	Month: April	Monthly standard hours: 168
1. Base Salary (Salary per Employment Contract/Assignment Agreement)	7.500	= 4.000 * 1,5
2. Standard Hours worked in the month counted toward the standard work schedule	168	$= (\text{base salary}) / (\text{monthly standard hours}) * (\text{hours worked at 8-hour norm})$
3. Night hours (25% bonus)	19	$= ((\text{base salary} / \text{monthly standard hours}) * \text{number of night hours}) * 25\%$
4. Overtime hours (200% bonus)	2	$= ((\text{base salary}) / (\text{monthly standard hours}) * \text{number of overtime hours}) * 200\%$
5. Paid vacation leave	0	= AVERAGE(last 3 months' earnings from overtime, night hours, weekend hours)
6. Regular hours (100%)	10	$= ((\text{base salary}) / (\text{monthly hours}) * \text{number of regie hours}) * 100\%$
7. Holiday hours (100%)	0	$= ((\text{base salary}) / (\text{monthly hours}) * \text{number of holiday hours}) * 100\%$
8. Dormitory hours (100%)	42	$= ((\text{base salary}) / (\text{monthly hours}) * \text{number of dormitory hours}) * 100\%$
9. Weekend bonus hours (15%)	20	$= ((\text{base salary}) / (\text{monthly hours}) * \text{number of weekend hours}) * 15\%$
10. Trainer allowance (50%)	0	$= ((\text{base salary}) / (\text{monthly norm}) * \text{number of trainer hours}) * 50\%$
11. Meal vouchers	21	= number of vouchers * 30 RON per voucher
12. Bonuses		
13. Loyalty bonus (4%)		= base salary * 4%
14. Transit allowance (50%)	0	$= ((\text{base salary}) / (\text{monthly hours}) * \text{number of trainer hours}) * 50\%$
15. Total income		11.276
16. Total income excluding meal vouchers		10.646
17. Employee health contribution 10%		= total income * 10%
18. Social security contribution (pension, CAS) 25%		= total income excluding meal vouchers * 25%
19. Taxable income		= total income – employee health contribution – social security contributions
20. Tax 10%		= taxable income * 10%
21. TOTAL TAXES		= employee health contribution + social security contribution + income tax
22. Net total for the month		= total earnings – total taxes
23. Net total without meal vouchers		= total earnings excluding meal vouchers – total taxes

Source: Own processing based on internal data from DB Cargo Romania

2.7 Accounting Treatments Specific to Salary Expenses

Salary expenses represent a fundamental component of the operational cost structure within DB Cargo Romania, directly influencing the company's financial results and fiscal position. These expenses include both the gross amounts paid to employees and the social contributions borne by the

employer, in accordance with the provisions of the Fiscal Code and OMFP no. 1802/2014. The elements comprising salary expenses are:

- Base salary, contractually established;
- Allowances for special working conditions (e.g., night shifts, weekend work, overtime);
- Bonuses and premiums, granted based on performance or on the occasion of special events;
- Benefits in kind, such as free accommodation, company vehicles, meal vouchers, medical subscriptions.

These amounts are subject to contributions and taxation according to the legislation, and from an accounting perspective, they are recognized at the time the work is performed, regardless of the actual payment date.

Recognition of salary expenses:

641	=	421	11.276 lei
Salary expenses		Employees - salaries payable	

Withholding social security contributions and income tax from the employee's salary:

Pension contribution (CAS): 25%

421	=	4315	2.662 lei
Employees - salaries payable		Social security contributions	

Health insurance contribution (CASS): 10%

421	=	4316	1.128 lei
Employees - salaries payable		Health insurance contributions	

Income tax 10%

421	=	444	749 lei
Employees - salaries payable		Tax on salaries	

*CAM – Work insurance contribution: 2.25% * 10,646 RON = 240 RON*

6458	=	436	240
Other social security and welfare contributions		Work insurance contribution	

Payment of net salary to the employee

421		5121	6.107 lei
Employees - salaries payable		Cash at bank in lei	

Payment of social contributions and income tax

%	=	5121	4.779 lei
4315		Cash at bank in lei	2.662 lei
Social security contributions			
4316			1.128 lei

Health insurance contributions	
444	
Income tax	749 lei
436	
Work insurance contribution	240 lei

According to Article 25 of the Fiscal Code, all salary expenses borne by the employer are tax-deductible, provided they are justified by legal documents and are directly related to the activity carried out. Proper preparation of the payroll and the corresponding accounting records is essential to avoid fiscal risks and ensure transparency in financial reporting. This section reflects how DB Cargo România adheres to accounting and fiscal principles regarding remuneration, ensuring compliance with legislation and rigorous tracking of salary expenses.

2.8 Accounting treatments specific to medical leave allowances and travel allowances (per diems)

Within DB Cargo România, the granting of allowances related to medical leave and business travel is common, especially for personnel involved in train operations and technical activities carried out in shifts or at different locations. These allowances do not constitute regular salary income, but they involve specific fiscal and accounting treatments, expressly regulated by the applicable legislation.

A. Medical leave

The allowances for medical leave are regulated by **Government Emergency Ordinance no. 158/2005** and **Law no. 263/2010**, and their financing is shared between the employer (for the first 5 working days) and the **National Health Insurance Fund (FNUASS)** for the remainder of the period. The applicable percentage is determined based on the diagnosis code. From an accounting perspective, the allowances are recognized on an **accrual basis**, and reimbursements from FNUASS are recorded as **receivables from the social insurance budget** (GEO no. 158/2005; Order of the Ministry of Public Finance no. 1802/2014).

Table no. 9

Diagnostic code	Type of medical leave	Applied percentage
01	Common illness	75%
06	Medical-surgical emergency	100%
08	Work-related accident	100%
09	Infectious-contagious disease	100%
10	Quarantine	100%
11	Pregnancy and maternity leave	85%/100%

Source: Own processing based on internal data from DB Cargo Romania

An employee with a gross monthly salary of 7,500 lei receives medical leave for 10 days (code 01). The daily calculation base is 357 lei, and the daily allowance is 267.75 lei. Total gross: 2,677.50 lei. This

is divided as follows: 5 days covered by the employer (1,338.75 lei) and 5 days covered by FNUASS (1,338.75 lei). Applied: CASS = 10%, Income tax = 10% (only on the taxable base).

Recording expenses borne by the employer (first 5 days):

6458	=	421	1.338,75 lei
Other social security and welfare contributions		Employees - salaries payable	

Recording allowance covered by FNUASS (days 6–10):

6458	=	421	1.338,75 lei
Other social security and welfare contributions		Employees - salaries payable	

B. Travel allowance (per diem)

Per diem allowances are granted for business trips in accordance with Article 76 of the Fiscal Code. They are non-taxable if they fall within the legal ceiling (2024: 57.5 RON/day). They are exempt from CAS, CASS, and income tax but become fully taxable if the ceiling is exceeded.

For example, an employee sent on a 10-day business trip receives:

- Per diem: 800 RON
- Accommodation: 1,200 RON
- Transport: 300 RON
- Other expenses: 200 RON

The total expenses amount to 2,500 RON. The employee receives an advance of 2,000 RON, leaving a balance of 500 RON to be paid.

Advance payment for business trip:

542	=	5121	2.000 lei
Cash advances		Cash at bank in lei	

Recording expenses based on the settlement:

625	%	2.500 lei
Expenses for travel, secondments, and transfers	542	2.000 lei
	Cash advances	
	421	500 lei
	Employees - salaries payable	

Payment of the balance to the employee:

421	=	5121	500 lei
Employees - salaries payable		Cash at bank in lei	

The accounting treatment of sick leave and travel allowances highlights the complexity of employment relationships in the railway sector, where employees often work under special conditions involving mobility. Compliance with regulations regarding the source of funding (state or employer), calculation of contributions, and proper documentation (medical certificate, travel order) is essential for fiscal compliance and operational efficiency.

2.9 Accounting treatments specific to cash and in-kind benefits

In addition to the base salary, companies can grant employees various extra-salary benefits, either in cash (bonuses, special allowances) or in kind (vouchers, tickets, subscriptions), with the purpose of motivating, retaining, and protecting employee welfare. At DB Cargo România, such benefits are stipulated in the internal regulations and collective labor agreements, and are granted either regularly or occasionally.

Applicable fiscal regime

These benefits are regulated by Article 76 of the Fiscal Code [14] and are subject to differentiated fiscal treatment. They may be exempt or taxable, depending on the nature of the benefit and the amount granted. Medical subscriptions are non-taxable up to the annual ceiling; vouchers and meal tickets follow the regulations on value tickets; personal use of a company car is treated as a salary benefit [14], [12].[13]. From an accounting perspective, these are recognized as short-term benefits, valued at the amount of the benefit granted [5], [17].

Table no. 10

Type of benefit	CAS	CASS	Income tax	Observations
Meal vouchers	No	No	Yes	Fully taxable, but exempt from CAS and CASS if granted within the legal limit.
Holiday vouchers	No	No	Yes	Fully taxable, but exempt from CAS and CASS within the annual ceiling of 13,800 lei.
Medical subscriptions (private clinics)	No	No	Yes	Non-taxable up to the ceiling of 400 euros/year, then taxable.
Use of company car for personal purposes	Yes	Yes	Yes	Considered a salary benefit, fully taxable.
Free accommodation	Yes	Yes	Yes	Taxable if not strictly for business purposes.
Mobile phones, laptops	No	No	Yes/No	Exempt only if used exclusively for professional purposes.

Source: Own processing based on internal data from DB Cargo Romania

A. Meal vouchers

Meal vouchers are one of the most common extra-salary benefits granted to employees. Their purpose is to support employees' nutrition, and they are tax-deductible for the employer within the limits established by law. The vouchers are subject to income tax but are exempt from CAS/CASS within the limits and conditions set by the legislation on value tickets [12], [14].

The company provides monthly vouchers worth 30 RON per working day, distributed electronically. In the analyzed example, for 752 employees, 13,896 vouchers were issued, with a total value of 416,880 RON.

Purchase of meal vouchers (loaded value):

5328	401	416.880 lei
Other cash equivalents	Suppliers	

Auxiliary services and related VAT:

%	401	
628	Suppliers	1.653,62 lei
Other third party services		1.389,60 lei
4426		
Input VAT		264,02 lei

Payment of the invoice to the supplier:

401	5121	418.533,62 lei
Suppliers	Cash at bank in lei	

Actual distribution of the amounts onto employees cards:

642	5328	416.880 lei
Employee luncheon vouchers	Other cash equivalents	

Individual allocation based on timesheets: On the 25th of each month, meal vouchers are allocated to employees according to the number of days worked. This process is based on the monthly timesheet. An employee who worked 21 days in a month receives: 21 vouchers × 30 RON = 630 RON.

642	5328	630 lei
Employee luncheon vouchers	Other cash equivalents	

The amount of 630 RON is actually loaded onto the employee's card, which can be used at authorized merchants.

B. Holiday vouchers

These are benefits granted to employees to cover tourism expenses in Romania. They can be provided in printed form or on a card and are intended exclusively for tourist services (accommodation, meals, transport, etc.) in authorized establishments. The vouchers can be granted from the employer's own funds, up to a limit of 13,800 RON per year per employee (equivalent to 12 gross minimum salaries), and are fiscally deductible within this limit, making them an increasingly used tool for employee motivation.

For the employer, these are deductible within the limits and conditions established by law; for the employee, they are subject to income tax but exempt from contributions up to the legal ceiling [12], [14].

C. Financial aids provided

DB Cargo România provides its employees with various financial aids for certain personal and family events, offered as support during important moments in the employees' lives, based on individual requests and the corresponding supporting documents. These aids are granted as guaranteed net amounts, without the employee bearing any tax withholdings or social contributions.

Among these benefits are: wedding aid: 1,500 RON; birth of a child: 2,000 RON per child; or death of a family member: 2,500 RON.

These amounts are granted only once for each event, based on a request accompanied by supporting documents (marriage certificate, birth certificate, death certificate, etc.), within a maximum of 30 days from the date of the event.

2.10 Fiscal rules regarding the declaration and payment of mandatory taxes and social contributions

Proper management of monthly tax obligations is essential in the financial-accounting activity of any entity. At DB Cargo România, the declaration and payment of income tax and social contributions (CAS, CASS, and CAM) are carried out monthly, based on gross salary income, in accordance with the provisions of the Fiscal Code [14] and the D112 Single Declaration. Filing the D112 declaration and remitting the obligations by the legal deadline are conditions for fiscal compliance; failure to comply results in penalties and additional charges [18], [14]. From an accounting perspective, these obligations are recorded as current liabilities until settled [17].

The employer is required to withhold and remit:

- CAS (Pension Contribution): 25% – borne by the employee;
- CASS (Health Contribution): 10% – borne by the employee;
- Income tax: 10% applied to the taxable base (gross income – contributions);
- CAM (Work Insurance Contribution): 2.25% – borne by the employer, applied to the taxable gross income.

For each fiscal month, the employer must calculate the contributions and tax due and withhold the amounts from the gross salary. Additionally, the employer is required to record the related social and fiscal liabilities in accounting, complete and submit the D112 form by the 25th of the

following month, to ensure monthly payments to the state budget in the corresponding ANAF accounts.

3. Conclusions

Through the case study, the essential steps for accurately determining net salary were highlighted, both from the employee's and the fiscal perspective. The paper illustrated how salary income and benefits in cash or in kind are recorded in accounting and treated for tax purposes, in accordance with applicable legislation.

The examples presented, drawn from DB Cargo România's operations, clearly demonstrated the application of rules regarding salary calculation, social contribution withholding, treatment of benefits, and the reporting of fiscal obligations through the D112 form. All these aspects contribute to a correct and comprehensive understanding of the relationship between the employee, the employer, and the tax authorities.

From a theoretical and best-practice perspective, aligning reward policies with fiscal regulations and IAS 19 principles (recognition based on obligations, proper valuation of benefits in kind) reduces the risk of non-compliance and supports faithful reporting [5], [4]. Implementing internal controls over the payroll process (monthly review of benefit inclusion within limits, D112-accounting reconciliations, eligibility matrices for benefits) can improve compliance and governance of personnel costs [17], [13].

In operationally specific industries such as railway transport, standardizing documentation (travel orders, expense reports, medical certificates) and integrating reimbursement accounting with FNUASS contributes to efficiency and traceability, while also supporting the relationship with tax authorities [16], [19].

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