



LEGAL ALERT

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Remote work and additional expenses

On the 29th of September 2023 the Government published the decree establishing the amounts exempt from taxation regarding the payment of additional expenses to employees working remotely.

This Decree follows the entry into force of the Dignified Work Agenda, which foresaw the obligation for both the employer and the employee to agree on a fixed amount to compensate the latter for the additional expenses incurred in within the remote work regime.

Amounts exempt from taxation

Pursuant to the abovementioned Decree, and with regard to compensation of additional expenses under remote work, the following amounts shall be exempt from personal income tax and Social Security contributions:

- ✓ consumption of residential electricity: 0,10 € (ten cents) per day;
- ✓ consumption of personal internet: 0,40 € (forty cents) per day;
- ✓ computer or equivalent personal IT equipment: 0,50 € (fifty cents) per day,

in a total amount of 1,00 € (one euro) per day.

These limits are increased in 50% when the amount of the compensation arises from a collective bargaining agreement entered into by the employer.

Applicability

The limits set forth herein are only applicable to the compensation for the professional use, in remote work, of those goods and services, which are not made available, directly or indirectly, by the employer to the employee.

It is considered that the employer has made available these goods or services when it has offered, assigned, sold at a price lower than the market price or any other action which allows the use and fruition of electricity, internet and computer or equivalent, without the employee having to financially support the correspondent charges within normal market conditions.

These limits are only applicable to full days of effectively provided work, i.e. a day in which the employee has worked at the distance, by resorting to information and communication technologies, in a place not determined by the employer, in periods of no less than 1/6 of the weekly working hours.

Furthermore, the exemption here established shall only be applicable when the compensation of the additional expenses arises from an individual remote work agreement entered into between the employer and the employee or from the employment agreement.

Entry into force

The decree referred to herein enters into force on the 1st of October, 2023.

For more information on this subject, please contact:



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