

**Tax Deductions from Salaries and Honoraria**  
*Effective as of: 02.28.2013*

*American University of Armenia*  
*Policy for Publication*  
*Policy Number: Number Not Yet Assigned*

Estimated salaries and honoraria shall be stated in gross amounts and will be subject to tax deductions. According to RA legislation, the employer must make tax deductions. Tax withholding should be done according to the following scale:

Income tax (based on monthly income)

<b>Taxable Income (II)</b>	<b>Taxable Amount</b>
Less than 120,000 AMD	24.4% of the taxable income +
From AMD 120,000 up to 2,0 mln AMD	x 26% +
Monthly taxable amount exceeding 2,0 mln AMD	x 36%

Payroll is processed on monthly basis, in the first working day of each month for work performed in the previous month.

A copy of all employment or civil service contracts shall be given to the AUA Financial Services department. In addition to the salary rate, concrete assignments and other relevant information, the contracts shall include the starting and ending dates of employment. Payments will be made only upon receipt of the AUA Financial Services department of Absenteeism Forms (see Administrative Staff Personnel Manual) or the time sheets approved by the department heads on the last day of the month. For the service contracts the payment is made only upon receipt by the AUA Financial Services department of an acceptance act for the work accomplished.