

Comparative Tables on Social Protection - Results

Situation on 01/07/2008

Romania

I. Financing

Financing principle

1. Sickness and maternity: Benefits in kind

Compulsory contributions for health insurance.

2. Sickness and maternity: Cash benefits

Compulsory contributions for sickness and maternity insurance.

3. Long-term care

No single discrete long-term care scheme.

4. Invalidity

Contributions (employees, employers, self-employed, unemployed).

5. Old-age

Contributions (employees, employers, self-employed, unemployed).

6. Survivors

Contributions (employees, employers, self-employed, unemployed).

7. Employment injuries and occupational diseases

Contributions (employers, self-employed).

8. Unemployment

Contributions (employees, employers, self-employed).

9. Family allowances

State budget.

Contributions of insured and employers

1. Overall contributions

No overall contributions.

2. Sickness and maternity: Benefits in kind

Employer – 5.5% of employee's gross earnings.

Employee – 5.5% of taxable gross salary.

No ceilings.

Self employed persons: 6.5% of their income declared for tax purposes.

No ceilings.

Unemployed persons: 6.5%

No ceilings.

3. Sickness and maternity: Cash benefits

Contribution for Sickness Benefits in cash (except for occupational diseases and accidents at work), Maternity Benefits in cash and Child Care Benefit:

The monthly contribution:

Employers:

0.85% of employee's gross earnings. Ceiling: 12 times the national monthly minimum gross salary for each employee.

Employees:

No contribution.

Self-employed persons:

0.85% of their income declared for tax purposes.

Ceiling: 12 times the national monthly minimum gross salary.

Unemployed persons:

0.85% of their unemployment benefit.

4. Long-term care

No contributions.

5. Invalidity

Employee: 9.50%.

No ceiling.

Employer:

Contribution rate varies with the working conditions:

Working conditions	Rate
normal	19.50%
difficult	24.50%
special	29.50%

No ceiling.

6. Old-age

Included in the contribution shown under Table I, "Invalidity".

7. Survivors

Included in the contribution shown under Table I, "Invalidity".

8. Employment injuries and occupational diseases**Employers:**

Between 0.40% and 2% according to risks classes. No ceiling.

9. Unemployment

Employee:

0.50%. No ceiling.

Employer:

1%. No ceiling.

10. Family allowances

No contributions.

11. Other special contributions

No other special contributions.

Other special contributions (Cont.)

No other special contributions.

Public authorities' participation

1. Sickness and maternity: Benefits in kind

The State budget pays contributions amounting to 6.5% of 2 times the national minimum gross wage on behalf of some categories of persons:

- persons in military service;
- persons on medical leave due to employment injury or occupational disease;
- persons on child care leave;
- persons in receipt of unemployment allowance, beneficiaries of the guaranteed Minimum Income and pensioners with pensions less than the income taxation base;
- prisoners and detainees;
- returned or expelled persons or are victims of human trafficking during their identification process;
- certain other groups.

2. Sickness and maternity: Cash benefits

Participation of the State for beneficiaries of unemployment allowance.

3. Long-term care

Local budgets, State Budget.

4. Invalidity

State Budget, Unemployment Social Insurance Budget.

5. Old-age

State Budget, Unemployment Social Insurance Budget.

6. Survivors

State Budget, Unemployment Social Insurance Budget.

7. Employment injuries and occupational diseases

Unemployment Social Insurance Budget.

8. Unemployment

State Budget.

9. Family allowances

Financed entirely by the State Budget.

10. General non-contributory minimum

Financed entirely by the local budgets.

Financing systems for long-term benefits

1. Invalidity

Current income financing ("pay-as-you-go").

2. Old-age

Current income financing ("pay-as-you-go").

3. Survivors

Current income financing ("pay-as-you-go").

4. Employment injuries and occupational diseases

Current income financing ("pay-as-you-go").

II. Health care

Applicable statutory basis

Title VIII of the Law no 95/2006 April 2006, published in OJ No.372/28 April 2006, with the subsequent modifications and completions.

Basic principles

- Free choice of the health provider and of the health insurance institutions.
- Decentralization and autonomy in the administration of the Health Insurance Fund.
- Contribution is compulsory for all resident citizens. The insured persons benefit from a basic package of medical services.
- The transparency of the activity of the social health insurance system.
- Free competition between providers dealing with contracts with the health insurance houses.

Field of application

1. Beneficiaries

All Romanian citizens, residents in Romania, entitled EU citizens, other citizens if international social security agreements are signed.

2. Exemptions from the compulsory insurance

- Children up to 18 years (this period is extended till 26 years for those studying or apprenticing and having no income),
- young persons with no income until the age of 26 falling under the child protection system,
- beneficiaries of special laws,
- disabled persons with no income,
- persons with no income enrolled into the national health programmes,
- pregnant women with no income or women who have just given birth.

3. Voluntarily insured

- Members of the diplomatic missions accredited in Romania;
- foreign citizens or stateless persons staying temporarily in Romania without long stay visa;
- Romanian citizens with the domicile abroad.

4. Eligible dependants

The following dependant family members who do not have their own income: wife, husband, and/or parents.

Conditions

1. Qualifying period

From the first payment of the health contribution.

2. Duration of benefits

As long as the insured status is proved or implicit according to the law.

Organisation

1. Doctors:

Approval

Doctors should be members of the College of Physicians (Colegiul Medicilor din Romania) and the health care providers should be evaluated by the National Commission of Evaluation (Comisia Națională de Evaluare) in order to be included in the social health insurance system.

Remuneration

Family doctor: "per capita" and fee-for-service.

Specialist doctors in ambulatory:

Fee-for-service.

Specialist doctors in hospital and ambulatories of the hospitals:

salary.

2. Hospitals

Public or private hospitals authorised/advised by the Ministry of Public Health and contracted by the social health insurance system.

Benefits

1. Medical treatment:

Choice of doctor

Every person must register with a free chosen family doctor, with the option to change the doctor after 6 months.

Access to specialists

Free choice of the specialist if the patient is referred by the family doctor. No referral needed in cases of:

- medical emergency
- family planning
- alternative medicine

Payment of doctor

Benefits in kind system. The costs of treatment are paid by the health fund. Payments are made by the patient only if there are special requests/surgeries above standards.

Patient's participation

No other direct payments.

Exemption or reduction of patient's participation

Not applicable.

2. Hospitalisation:

Choice of hospital

Free choice of hospital, on the recommendation of the family doctor or the specialist doctor. Direct access in case of emergency.

Patient's participation

A contribution towards the costs for patients who request better accommodation than the social health insurance system standards, and/or services stipulated on the list of non-standard services.

Exemption or reduction of patient's participation

Not applicable.

3. Dental care:

Treatment

According to the list covered by the social health insurance fund:

- 100% of the cost for children until 18 years, and beneficiaries of special laws,
- 40% or 60% of cost for insured persons older than 18 years,
- 100% of the cost for dental emergencies for all.

Dental prosthesis

Some acrylic dental prosthesis covered by the social health insurance fund:

- 100% of the cost for beneficiaries of special laws,
- 40% or 100% of cost for insured persons older than 18 years.

4. Pharmaceutical products

There are three lists of pharmaceutical products. The Health Insurance Fund pays:

- List A: 90% of the reference price costs.
- List B: 50% of the reference price costs.
- List C:
 - C1: 100% of the reference price costs;
 - C2: full price (HIV/AIDS, tuberculosis,
 - C3: 100% of the reference price costs for children, pregnant women, women who have just given birth and other special categories of citizens such as war survivors, political prisoners or those who are totally or partially incapable of work.

5. Prosthesis, spectacles, hearing-aids

Insured persons are entitled to a list of medical devices - except spectacles - based on the medical prescription. They may be required to make a contribution toward the cost established according to the annually reviewed price list of medical devices.

6. Other benefits

- Insured persons older than 18 years are entitled to a health check every year, for the prevention of diseases with major consequences in morbidity and mortality.
- Emergency services (including transport) for some diseases.
- Recuperation services and spa treatment (without or with co-payment of the insured).
- Home health care services.

III. Sickness - cash benefits

Applicable statutory basis

Emergency Ordinance of Government (Ordonanta de urgenta a Guvernului) No. 158/2005, published in OJ No. 1074/29 November 2005.

Basic principles

Compulsory social insurance scheme for the economically active population (employees and self-employed persons) providing an earnings-related benefit.

Field of application

1. Beneficiaries

- All employees in paid employment;
- those who benefit of unemployment allowance;
- self employed persons;

- persons who have elective functions or are named in executive, legislative or judicial authority during the mandate period;
- members of a handicraft co-operative;
- associates, sleeping partners or shareholders;
- administrators or managers who signed an administration or a management contract;
- members of family associations.

2. Membership ceiling

No membership ceiling.

3. Exemptions from compulsory insurance

No exemptions.

Conditions

1. Proof of incapacity for work

Incapacity for work due to sickness certified by a doctor.

Medical certificate issued from the first day of incapacity and claimant must let the employer know within three days.

2. Qualifying period

Qualifying period of at least 1 month of contribution.

3. Other conditions

No other conditions.

Waiting period

No waiting period.

Benefits

1. Benefits paid by employers

The benefit for work incapacity (Beneficiu pentru incapacitate de munca) is paid to the insured persons by the employer from the first day until the 5th day of temporary work incapacity.

2. Benefits of social protection

Amount of the benefits

The amount of social insurance benefits is 75% of the average insured gross earnings over the last 6 months.

The amount is increased to 100% of the average insured earnings over the last 6 months if the sickness benefit is caused by:

- tuberculosis,
- AIDS,
- any type of cancer,
- group A infectious and contagious diseases, and
- medical and surgical emergencies.

Duration of benefits

The duration of sickness benefit (Beneficiu de boala) is 180 days in any 1 year period, counted from the first day of the contingency.

As from the 90th day medical leave can only be extended to 180 days, with the approval of the social insurance expert physician.

The duration of the sickness benefit is longer in cases of special diseases as follows:

- 1 year in the last 2 years for pulmonary tuberculosis and some cardiovascular diseases settled by the National Health Insurance House with the agreement of the Ministry of Public Health;
- 1 year, with a right to extension up to a year and a half for meningeal, peritoneal and urogenital tuberculosis, including of the suprarenal glands as well as AIDS and any type of cancer, according to the phase of the disease;
- a year and a half, in the last 2 years, for operated and osteo-articular tuberculosis;
- 6 months, with possibility of extension up to 1 year, in the last 2 years, for other forms of extra-pulmonary tuberculosis with the approval of the medical expert of the social insurance.

Special conditions for unemployed

Unemployed persons are entitled to the same sickness benefits as provided to employed persons and under the same conditions.

Death grant

In case of death of the insured person or a member of his family, one person becomes entitled to a death grant (surviving spouse, the child, the parent, the tutor, the legal guardian, the heir as stipulated by law or the person proving that they paid the funeral expenses).

The amount is RON 768.20 (€ 211) in case of death of the insured person and RON 348.10 (€ 95) in case of the death of a member of their family.

Other benefits

- Sickness Prevention.
- Indemnity for work time reduction;
- Quarantine leave and indemnity;
- Recovery of Working Capacity.
- Spa treatment.

Benefits for taking care of a sick child (Beneficii pentru ingrijirea unui copil bolnav): Insured persons are entitled to sick child care leave and benefit. 85% of the average insured gross earnings over the last 6 months are paid for caring for a sick child aged less than 7 years or until 18 years in case of a disabled child suffering from inter-current diseases. The benefit is available upon request to one of the parents, if the applicant meets the contributory period terms stipulated in law (see Table III, "Conditions: 2. Qualifying period").

Taxation and social contributions

1. Taxation of cash benefits

Benefits are not subject to taxation.

2. Limit of income for tax relief or tax reduction

Not applicable.

3. Social security contributions from benefits

The social insurance contribution (invalidity, old-age, survivors) has to be paid from all health insurance indemnities.

In addition, the following contributions have to be paid from the temporary work incapacity:

- Social health insurance contribution and leaves and indemnities contribution: only employers for the first 5 days of temporary work incapacity.
- Unemployment insurance contribution: employees in case of work

incapacity not longer than 30 days; employers for the first 5 days of temporary work incapacity.

IV. Maternity/Paternity

Applicable statutory basis

Emergency Ordinance of Government (Ordonanta de urgenta a Guvernului) No. 158/2005 published in OJ No 1074/29 November 2005.

Basic principles

Social insurance scheme financed by contributions from employees, the economically active and employers, providing an earnings-related benefit.

Field of application

1. Benefits in kind

Employees.

2. Cash benefits

Insured women and women who give birth within 9 months of ceasing to pay contributions. Insurance covers:

- employees,
- self-employed persons,
- unemployed persons,
- pregnant women and women lately confined who have no incomes.

Conditions

1. Benefits in kind

No conditions.

2. Cash benefits

1 month of insurance (payment of contributions) in last 12 months.

Benefits

1. Benefits in kind

Free maternity services or hospital care:

- the insured person: the basic services package (medical services, health care services, medicines, sanitary materials, medical devices and other services hereupon the insured persons have rights and it is discounted from the Fund in accordance with framework agreement);
- the uninsured person: the minimal services package (medical services only in case of medical and surgical emergencies and endemo-epidemic diseases, including those which are in the National Immunities Program, the observation of the pregnancy and confinement evolution and family planning services, established by the framework-agreement).

2. Maternity leave

Prior to and after confinement

63 days prior to the birth and 63 days after birth. These periods may be compensated between one another according to medical advice and the option of the beneficiary, if the period after confinement is longer than 42 days.

Continuation of payment by the employer

No continuation of payment by the employer.

3. Cash benefits

- Temporary work incapacity indemnity:
- The amount of social insurance benefits is 75% of the average insured gross earnings over the last 6 months. The amount is increased to 100% of the average insured earnings over the last 6 months if the sickness

benefit is caused by tuberculosis, AIDS, any type of cancer, group A infectious and contagious diseases, and medical and surgical emergencies.

- Indemnity for taking care of a sick child: 85% of the average insured gross earnings over the last 6 months.
- Indemnity for maternity leave: 85% of the average insured gross earnings over the last 6 months.
- Indemnity for sickness prevention and recovery of working capacity: 85% of the average insured gross earnings over the last 6 months.
- Leave and indemnity for maternal risk: 75% of the average insured gross earnings over the last 6 months.

Taxation and social contributions

1. Taxation of cash benefits

Only the Work Incapacity Indemnity is subject to taxation.

2. Limit of income for tax relief or tax reduction

Not applicable.

3. Social security contributions from benefits

The social insurance contribution (invalidity, old-age, survivors) has to be paid from all health insurance indemnities.

In addition, the following contributions have to be paid from the temporary work incapacity:

- Social health insurance contribution and leaves and indemnities contribution: only employers for the first 5 days of temporary work incapacity.
- Unemployment insurance contribution: employees in case of work incapacity not longer than 30 days; employers for the first 5 days of temporary work incapacity.

V. Invalidity

Applicable statutory basis

Law 19 of 17 March 2000 on Public System of Pensions and other Social Insurance Rights (Legea privind sistemul public de pensii si alte drepturi de asigurari sociale), with subsequent amendments.

Basic principles

General social insurance scheme, compulsory, partially-contributory, pay-as-you-go, defined benefit, providing mainly earnings-related benefits (public system of pensions' scheme).

Field of application

Statutory coverage based on the personal statute for Romanian citizens, foreign citizens, stateless persons, with domicile or residence in Romania who are:

- Employees, persons assimilated to employees, civil servants,
- unemployed,
- self-employed, except for farmers.

Voluntary regime is available for the persons under mandatory coverage who intend to increase their insured income as well as for the persons beyond mandatory coverage e.g. farmers, etc.

Exemptions from compulsory insurance

Self-employed who have the status of:

- beneficiaries receiving pensions of the public system of pensions' scheme,

- or
- employees, persons assimilated to employees, civil servants, or unemployed.

Risk covered

Invalidity:

Loss of total or at least half of the insured person's working capacity as a result of injuries unrelated to work or ordinary diseases.

In terms of workplace requirements and extent of working capacity loss, invalidity is subdivided into three categories:

- Category I: total loss of working and self-sufficient capacities, the invalid being in need of assistance or permanent surveillance by another person,
- Category II: total loss of working capacity but with the invalid's self-sufficient capacity without another person's help,
- Category III: loss of at least half of working capacity, the invalid still being able to perform a professional activity.

Conditions

1. Minimum level of incapacity for work

50% reduction in working capacity.

2. Possibility of review

Invalidity Pension (pensia de invaliditate) beneficiary is subject to medical check-ups at 6 to 12 months, according to disease, until standard retirement age. Failure to comply with this obligation results in suspension of the Invalidity Pension. Review is also possible on beneficiary's request. Social insurance expert physician decides on maintaining, upgrading, downgrading or even removing the invalidity category.

3. Period for which cover is given

Invalidity Pension (pensia de invaliditate) is granted on date the payment of Temporary Working Incapacity Indemnity (indemnizatia pentru incapacitate temporara de munca) ceases or on application date.

Minimum age limit of the Invalidity Pension claimant is not explicitly stipulated by law. It is however delineated by the minimum age for employment (15 years of age), which is laid down by the Labour Code (Codul Muncii) and the minimum period of affiliation for entitlement.

At standard retirement age or reduced standard retirement age for certain legally defined categories of persons, the invalidity pensioner may opt for the most advantageous pension between Invalidity Pension and Old-Age Pension (pensia pentru limita de varsta) or Old-Age Pension with Reduced Standard Retirement Age (pensia pentru limita de varsta cu reducerea varstelor standard de pensionare). In addition, the invalidity pensioner may opt for the most advantageous pension if he/she meets the eligibility criteria for a Survivor Pension (pensia de urmas).

4. Minimum period of affiliation for entitlement

The period of affiliation required for entitlement depends on the age of the claimant at time invalidity occurs:

Age	Required contribution period
less than 25	5 years
25 - 31	8 years

31 - 37	11 years
37 - 43	14 years
43 - 49	18 years
49 - 55	22 years
over 55	25 years

Minimum period of affiliation for entitlement is half the aforementioned required contribution period.

Benefits

1. Determining factors for the amount of benefits

Length of contribution period, level of earnings, invalidity category.

2. Calculation method, pension formula or amounts

Calculation method based on a point system. The pension formula is comparable for old age, invalidity, survivor, and employment injuries and occupational diseases functions.

Invalidity Pension (pensia de invaliditate) formula is:

$$IP = AAS * PPV$$

Where

IP = Invalidity Pension

AAS = Annual Average Score = $\text{SUM AS} / \text{FCP}$

AS = Annual Score = $\text{SUM NP} / 12$

FCP = Full Contribution Period

NP = Number of Points (per month) = RE / AGW

RE = Reference earnings

AGW = Average Gross Wage (realized; per month)

PPV = Pension Point Value = RON 581.30 (€ 159)

Invalidity Pension beneficiary is granted a potential contribution period, which is the difference between the full contribution period and the actual contribution period, achieved until the classification in one invalidity category. It is the difference between the full contribution period and the required contribution period in case the beneficiary has a minimum period of affiliation for entitlement.

The Annual Score pertaining to the potential contribution period varies according to the invalidity categories:

Invalidity category - Annual Score

I - 0.75 points

II - 0.60 points

III - 0.40 points

3. Reference earnings or calculation basis

Monthly gross income similar with the calculation basis for employee contribution mentioned at Table I "Financing" under "Contributions of insured and employers", "5. Invalidity". Reference period is the contribution period.

4. Non contributory periods credited or taken into consideration

Non-contributory periods credited are periods of:

- Long-term benefit payment: Invalidity Pension (pensia de invaliditate), except for Old-Age Pension (pensia pentru limita de varsta), Early Retirement Pension (pensia anticipata), Partial Early Retirement Pension (pensia anticipata partiala), Survivor Pension (pensia de urmas),
- short-term benefit payment: e.g. Temporary Working Incapacity Indemnity (indemnizatia pentru incapacitate temporara de munca), etc.,
- full-time university courses attendance under graduation condition,
- conscript service or periods served as drafted, mobilized or prisoner of war,
- other periods, stipulated by special legislation particularly by the old one.

5. Supplements for dependants (spouse, children, other dependants)

No supplements for dependants.

6. Minimum pension

No statutory minimum pension.

7. Maximum pension

No statutory maximum pension.

8. Other benefits

e.g. Cash benefits:

Attendant Indemnity (indemnizatia de insotitor).

In-kind benefits:

Personal Assistant (asistent personal) as an alternative to Attendant Indemnity (indemnizatia de insotitor).

Adjustment

State social insurance budget laws sets up annually the Pension Point Value. Adjustment is done by at least the inflation rate estimated for the following budgetary year.

Based on the macroeconomic indicators development and the financial resources the state social insurance budget revision laws may readjust the Pension Point Value during the year.

Nonetheless, the Pension Point Value may not be less than 37.5% of the projected average gross wage, i.e. RON 581.25 (€ 159).

Pension Point Value is similar for all pensions: Old-Age Pension (pensia pentru limita de varsta), Old-Age Pension with Reduced Standard Retirement Age (pensia pentru limita de varsta cu reducerea varstelor standard de pensionare), Early Retirement Pension (pensia anticipata), Partial Early Retirement Pension (pensia anticipata partiala), Invalidity Pension (pensia de invaliditate), and

Survivor Pension (pensia de urmas).

Accumulation with other social security benefits

Invalidity Pension (pensia de invaliditate):

Accumulation possible with benefits from the schemes of military and lawyers.

Accumulation with earnings from work

Category III and blind invalidity pensioners:

Accumulation possible.

Pensioners with category I and II invalidity, with the exception of the blind:

Accumulation not possible.

Return to active life

1. Rehabilitation, retraining

Invalidity pensioner, excluding the one with an irreversible condition or eligible for Old-Age Pension (pensia pentru limita de varsta), has to attend individual recovery programs. Social insurance expert physician prepares the individual recovery program.

As well, other schemes offer rehabilitation.

2. Preferential employment of handicapped persons

Supported Employment:

In order to support employment of graduates with handicap or other persons with handicap, employers are entitled to wage subsidies for a defined period (18 months for graduates with handicap and 12 months for other persons with handicap). They include an obligation to keep persons with handicap employed for a minimum period (three years for graduates with handicap and two years for other persons with handicap). Some other components are the obligation to make a reasonable workplace accommodation and the transport of raw materials and finished products to/from home of persons with handicap working from home.

Sheltered Employment:

It comprises sheltered workplaces and sheltered enterprises. Sheltered enterprises may be with or without legal personality and may be public or private. These segregated facilities cover all types of disabilities. In order to be set up, they are obliged to meet certain requirements, inter alia, to employ a certain percentage of persons with handicap (30%). Sheltered enterprises receive support through tax incentives.

Quota:

Based on a quota with levies for enforcement. A standard quota (4%) is directed to both public and private employers. Small employers (with less than 50 employees) are exempted from quota obligation. Employers who fail to meet quota obligation are charged compensatory levies i.e. payment of an amount (50% of the minimum gross wage – RON 250 (€ 69)) to the State Budget for each disabled person below the quota level or buying for the same amount of products and services from the sheltered enterprises.

Tax incentives:

Employers are entitled to tax incentives such as the corporate income tax deductibility for the amounts spent for a reasonable workplace accommodation, transport of raw materials and finished products to/from home of persons with handicap working from home, transport of persons with handicap from home to workplace. Employers of graduates with handicap who retain them for a defined period (2 years) after the minimum period (3 years) required in order to receive the wage subsidy are also reimbursed the employer contributions owed for the graduates with handicap during the aforementioned defined period (2 years).

Taxation and social contributions

1. Taxation of pension benefits

The Invalidity Pension (pensia de invaliditate) is subject to taxation.

2. Limit of income for tax relief or tax reduction

The monthly limit of income for tax relief is the summation of RON 1,000 (€ 274) and the employee contribution mentioned at Table I "Financing" under "Contributions of insured and employers"/"Sickness and maternity: Benefits in kind".

3. Social security contributions from pension

Beneficiary subject to employee contribution mentioned at Table I "Financing" under "Contributions of insured and employers"/"Sickness and maternity: Benefits in kind". The monthly limit of income for contribution relief is RON 1,000 (€ 274).

VI. Old-age

Applicable statutory basis

Law 19 of 17 March 2000 on Public System of Pensions and other Social Insurance Rights (Legea privind sistemul public de pensii si alte drepturi de asigurari sociale), with subsequent amendments.

Basic principles

General social insurance scheme, compulsory, partially-contributory, pay-as-you-go, defined benefit, providing mainly earnings-related benefits (public system of pensions' scheme).

Field of application

Statutory coverage based on the personal statute for Romanian citizens, foreign citizens, stateless persons, with domicile or residence in Romania who are:

- Employees, persons assimilated to employees, civil servants,
- unemployed,
- self-employed, except for farmers.

Voluntary regime is available for the persons under mandatory coverage who intend to increase their insured income as well as for the persons beyond mandatory coverage e.g. farmers, etc.

Exemptions from compulsory insurance

Self-employed who have the status of:

- beneficiaries receiving pensions of the public system of pensions' scheme, or
- employees, persons assimilated to employees, civil servants, or unemployed.

Conditions

1. Minimum period of membership

Both man and woman have similar minimum contribution period:

11 years and 8 months on 1 July 2008, increasing to 15 years in 2014.

2. Conditions for drawing full pension

The difference between the full contribution periods for man and woman is maintained:

Man:

31 years and 8 months on 1 July 2008, increasing to 35 years in 2014.

Woman:

26 years and 8 months on 1 July 2008, increasing to 30 years in 2014.

3. Legal retirement age

Standard pension

Old-Age Pension (pensia pentru limita de varsta):

The difference between the standard retirement ages for man and woman is maintained:

Man:

63 years and 4 months on 1 July 2008, increasing to 65 in 2014.

Woman:

58 years and 4 months on 1 July 2008, increasing to 60 in 2014.

Early pension

Old-Age Pension with Reduced Standard Retirement Age (pensia pentru limita de varsta cu reducerea varstelor standard de pensionare):

There is an assortment of standard retirement age reductions e.g.:

- Persons who contributed under special or difficult working conditions,
- persons who had a handicap prior to obtaining the insured person status,
- persons persecuted for political reasons by the regime in power after 6 March 1945, deported abroad or taken prisoners of war,
- women with multiple births,
- other categories of persons, defined by special legislation.

Early Retirement Pension (pensia anticipata):

Granted maximum 5 years before the standard retirement age to an insured person who exceeds the full contribution period by minimum 10 years.

Partial Early Retirement Pension (pensia anticipata partiala):

Granted maximum 5 years before the standard retirement age to an insured

person who exceeds the full contribution period by maximum 10 years.

Deferred pension

Granted for an unlimited period to an insured person who is eligible for Old-Age Pension (pensia pentru limita de varsta) and who continues contributing to the public system of pensions' scheme.

Benefits

1. Determining factors

Length of contribution period, level of earnings.

2. Calculation method or pension formula

Calculation method based on a point system. The pension formula is comparable for old age, invalidity, survivor, and employment injuries and occupational diseases functions.

Old-Age Pension (pensia pentru limita de varsta) formula is:

$$\text{OAP} = \text{AAS} * \text{PPV}$$

Where

OAP = Old-Age Pension

AAS = Annual Average Score = $\text{SUM AS} / \text{FCP}$

AS = Annual Score = $\text{SUM NP} / 12$

FCP = Full Contribution Period

NP = Number of Points (per month) = RE / AGW

RE = Reference earnings

AGW = Average Gross Wage (realized; per month)

PPV = Pension Point Value = RON 581.30 (€ 159)

3. Reference earnings or calculation basis

Monthly gross income similar with the calculation basis for employee contribution mentioned at Table I "Financing" under "Contributions of insured and employers", "5. Invalidity". Reference period is the contribution period.

4. Non-contributory periods credited or taken into consideration

Non-contributory periods credited are periods of:

- Long-term benefit payment: Invalidity Pension (pensia de invaliditate), except for Old-Age Pension (pensia pentru limita de varsta), Early Retirement Pension (pensia anticipata), Partial Early Retirement Pension (pensia anticipata partiala), Survivor Pension (pensia de urmas),
- short-term benefit payment: e.g. Temporary Working Incapacity Indemnity (indemnizatia pentru incapacitate temporara de munca), etc.,
- full-time university courses attendance under graduation condition,
- conscript service or periods served as drafted, mobilized or prisoner of war,
- other periods, stipulated by special legislation particularly by the old one.

5. Supplements for dependants (spouse, children, other dependants)

Other dependants

No supplements for dependants.

6. Special supplements

No special supplements.

7. Minimum pension

No statutory minimum pension.

8. Maximum pension

No statutory maximum pension.

9. Early pension

Old-Age Pension with Reduced Standard Retirement Age (pensia pentru limita de varsta cu reducerea varstelor standard de pensionare):

Calculation based on the Old-Age Pension (pensia pentru limita de varsta) formula.

Early Retirement Pension (pensia anticipata):

Calculation based on the Old-Age Pension formula.

Partial Early Retirement Pension (pensia anticipata partiala):

Calculation based on the Old-Age Pension formula. However, the Partial Early Retirement Pension is reduced based on the contribution period achieved over the full contribution period, as well on the number of months of early retirement:

Contribution period over the full contribution period	Reduction for each month of early retirement
up to 1 year	0.50%
over 1 year:	0.45%
over 2 years:	0.40%
over 3 years:	0.35%
over 4 years:	0.30%
over 5 years:	0.25%
over 6 years:	0.20%
over 7 years:	0.15%
over 8 years:	0.10%
between 9 and 10 years:	0.05%

Both Early Retirement Pension and Partial Early Retirement Pension are not taking into consideration the following non-contributory periods: long-term benefit payment i.e. Invalidity Pension (pensia de invaliditate), full-time university courses attendance under graduation condition, conscript service or periods served as drafted, mobilized or prisoner of war.

At standard retirement age, the old-age pensioner with reduced standard retirement age, the early retirement pensioner, and the partial early retirement pensioner may ask for an Old-Age Pension (pensia pentru limita de varsta). This

time the aforementioned non-contributory periods are credited together with any eventually further contribution periods achieved during the early retirement period.

10. Deferment

Number of Points obtained during the deferred retirement period is increased with a fix percentage (0.3%) for each additional month that is the Annual Score is increased with 3.6% for each supplementary year.

Deferred pension is calculated based on the Old-Age Pension (pensia pentru limita de varsta) formula.

Adjustment

State social insurance budget laws sets up annually the Pension Point Value. Adjustment is done by at least the inflation rate estimated for the following budgetary year.

Based on the macroeconomic indicators development and the financial resources the state social insurance budget revision laws may readjust the Pension Point Value during the year.

Nonetheless, the Pension Point Value may not be less than 37.5% of the projected average gross wage, i.e. RON 581.25 (€ 159).

Pension Point Value is similar for all pensions: Old-Age Pension (pensia pentru limita de varsta), Old-Age Pension with Reduced Standard Retirement Age (pensia pentru limita de varsta cu reducerea varstelor standard de pensionare), Early Retirement Pension (pensia anticipata), Partial Early Retirement Pension (pensia anticipata partiala), Invalidity Pension (pensia de invaliditate), and Survivor Pension (pensia de urmas).

Partial pension

No partial pension provisions.

Accumulation with earnings from work

Old-Age Pension (pensia pentru limita de varsta), Old-Age Pension with Reduced Standard Retirement Age (pensia pentru limita de varsta cu reducerea varstelor standard de pensionare):

Accumulation permitted.

Early Retirement Pension (pensia anticipata), Partial Early Retirement Pension (pensia anticipata partiala):

No accumulation possible.

Taxation and social contributions

1. Taxation of pension benefits

Pensions are subject to taxation.

2. Limit of income for tax relief or tax reduction

The monthly limit of income for tax relief is the summation of RON 1,000 (€ 274) and the employee contribution mentioned at Table I "Financing" under "Contributions of insured and employers"/"Sickness and maternity: Benefits in kind".

3. Social security contributions from pension

Beneficiary subject to employee contribution mentioned at Table I "Financing" under "Contributions of insured and employers"/"Sickness and maternity:

Benefits in kind". The monthly limit of income for contribution relief is RON 1,000 (€ 274).

VII. Survivors

Applicable statutory basis

Law 19 of 17 March 2000 on Public System of Pensions and other Social Insurance Rights (Legea privind sistemul public de pensii si alte drepturi de asigurari sociale), with subsequent amendments.

Basic principles

General social insurance scheme, compulsory, partially-contributory, pay-as-you-go, defined benefit, providing mainly earnings-related benefits (public system of pensions' scheme).

Field of application

Statutory coverage based on the personal statute for Romanian citizens, foreign citizens, stateless persons, with domicile or residence in Romania who are:

- Employees, persons assimilated to employees, civil servants,
- unemployed,
- self-employed, except for farmers.

Voluntary regime is available for the persons under mandatory coverage who intend to increase their insured income as well as for the persons beyond mandatory coverage e.g. farmers, etc.

Exemptions from compulsory insurance

Self-employed who have the status of:

- beneficiaries receiving pensions of the public system of pensions' scheme, or
- employees, persons assimilated to employees, civil servants, or unemployed.

Entitled persons

Surviving spouse.

Children.

No other entitled persons.

Conditions

1. Deceased insured person

Pensioner or eligible for Invalidity Pension (pensia de invaliditate), Old-Age Pension (pensia pentru limita de varsta), Old-Age Pension with Reduced Standard Retirement Age (pensia pentru limita de varsta cu reducerea varstelor standard de pensionare), Early Retirement Pension (pensia anticipata), Partial Early Retirement Pension (pensia anticipata partiala).

2. Surviving spouse

- Marriage duration of at least 10 years and standard retirement age, or
- marriage duration of at least 1 year and category I or II of invalidity, or
- level of income lower than one fourth of the projected average gross wage, i.e. RON 387.50 (€ 106) and child raising who is under the age of 7 years, or
- level of income lower than one fourth of the projected average gross wage, i.e. RON 387.50 (€ 106).

3. Divorced spouse

No entitlement.

4. Surviving partner or cohabitant

No entitlement.

5. Children

- Maximum age of 16 years (or maximum graduation age but no later than the age of 26 years), or
- invalidity occurred until the aforementioned age limits.

6. Other persons

No other entitled persons.

Benefits

1. Surviving spouse, Divorced spouse, Surviving partner

Surviving spouse:

Calculation method based on a point system. Pension formula is comparable for old age, invalidity, survivor, and employment injuries and occupational diseases functions.

Survivor Pension (pensia de urmas) formula in case of deceased pensioner or eligible for Old-Age Pension (pensia pentru limita de varsta) or Old-Age Pension with Reduced Standard Retirement Age (pensia pentru limita de varsta cu reducerea varstelor standard de pensionare) is:

$$SP = P * OAP$$

Where

SP = Survivor Pension

P = Percentage according the number of survivors: 50% for one survivor, 75% for two and 100% for three or more survivors.

OAP = Old-Age Pension (see Table VI "Old-age").

Survivor Pension formula in case of deceased pensioner or eligible for Invalidity Pension (pensia de invaliditate), Early Retirement Pension (pensia anticipata), Partial Early Retirement Pension (pensia anticipata partiala) is:

$$SP = P * IP$$

Where

SP = Survivor Pension

P = Percentage according the number of survivors: 50% for one survivor, 75% for two and 100% for three or more survivors.

IP = Invalidity Pension. When calculating the IP, the Annual Score pertaining to the potential contribution period is the one corresponding to category I invalidity.

Payment duration is different, either permanent or temporary depending on the conditions met by the surviving spouse.

2. Surviving spouse: remarriage

Survivor Pension (pensia de urmas) ceases.

3. Orphan children (having lost one parent, having lost both parents)

Orphan children having lost one parent:

Similar formula as for surviving spouse.

Orphan children having lost both parents:

Similar formula as for surviving spouse. Survivor Pension (pensia de urmas) is calculated for each parent and then summed up.

Payment duration is different, either permanent or temporary depending on the conditions met by the orphan child.

4. Other beneficiaries

No other beneficiaries.

5. Maximum for all those entitled to benefits

100% of the pension to which the deceased was or would have been entitled (paid only when there are 3 or more survivors).

6. Other benefits

e.g. Cash benefits:

Death Allowance (ajutor de deces).

7. Minimum pension

No statutory minimum pension.

8. Maximum pension

No statutory maximum pension.

Taxation and social contributions

1. Taxation of cash benefits

The Survivor Pension (pensia de urmas) is subject to taxation.

2. Limit of income for tax relief or tax reduction

The monthly limit of income for tax relief is the summation of RON 1,000 (€ 274) and the employee contribution mentioned at Table I "Financing" under "Contributions of insured and employers"/"Sickness and maternity: Benefits in kind".

3. Social security contributions from benefits

Beneficiary subject to employee contribution mentioned at Table I "Financing" under "Contributions of insured and employers"/"Sickness and maternity: Benefits in kind". The monthly limit of income for contribution relief is RON 1,000 (€ 274).

VIII. Employment injuries and occupational diseases

Applicable statutory basis

Law 346 of 5 June 2002 on Insurance in case of Employment Injuries and Occupational Diseases (Legea privind asigurarea pentru accidente de munca și boli profesionale), with subsequent amendments.

Law 19 of 17 March 2000 on Public System of Pensions and other Social Insurance Rights (Legea privind sistemul public de pensii și alte drepturi de asigurări sociale), with subsequent amendments.

Basic principles

General social insurance scheme, compulsory, partially-contributory, pay-as-you-go, defined benefit, providing mainly earnings-related short-term benefits: e.g. Temporary Working Incapacity Indemnity (indemnizatia pentru incapacitate temporara de munca) that is due to employment injuries or occupational diseases (employment injuries and occupational diseases scheme).

Long-term benefits are granted by the public system of pensions' scheme (see Table V "Invalidity" and Table VII "Survivors"): e.g. Invalidity Pension (pensia de invaliditate) and Survivor Pension (pensia de urmas) that are due to employment injuries or occupational diseases.

Field of application

1. Beneficiaries

Statutory coverage based on the personal statute for Romanian citizens, foreign citizens, stateless persons, with domicile or residence in Romania who are:

- Employees, persons assimilated to employees, civil servants,
- unemployed,
- apprentices, pupils, students during vocational training.

Voluntary regime is available for the other persons e.g. self-employed, etc.

For beneficiaries of the public system of pensions' scheme, see Table V "Invalidity" and Table VII "Survivors".

2. Exemptions from the compulsory insurance

Employment injuries and occupational diseases scheme:

Persons who have the status of insured in categorical schemes e.g. in the scheme administered by the Ministry of Defence, etc.

Public system of pensions' scheme: See Table V "Invalidity" and Table VII "Survivors".

Risks covered

1. Employment injuries

Violent body impairment as well as occupational acute intoxication during working process or whilst carrying out duties or in the course of vocational training of unemployed, apprentices, pupils, and students leading to at least three calendar days of temporary working incapacity, invalidity, or death.

2. Travel between home and work

Covered.

3. Occupational diseases

Affections occurred as a result of exercising a trade or profession caused by physical, chemical or biological harmful factors from the workplace, as well as by overburdening of different body organs or systems during working process or vocational training of unemployed, apprentices, pupils, and students.

Conditions

1. Employment injuries

Entitlement to benefits is conditioned by investigation of injury and locating of employment aspect.

Medical services are the exception. They are financed by the health care scheme (see table II "Health care"). Afterwards, the employment injury and occupational diseases scheme reimburses the costs.

2. Occupational diseases

Benefits are granted following investigation of disease and locating of employment aspect.

Benefits

1. Temporary incapacity:

Benefits in kind

Free choice of doctor or hospital

The administering institution of the employment injury and occupational diseases scheme chooses the medical rehabilitation providers.

Payment of costs and contribution by person involved

Payment of costs by the employment injury and occupational diseases scheme.
No co-payment.

Cash benefits

Waiting period

Temporary Working Incapacity Indemnity (indemnizatia pentru incapacitate temporara de munca) due to employment injuries or occupational diseases:

No waiting period.

Duration

180 days in one-year period, counted from the first day of medical leave (may be extended up to maximum 270 days).

Amount of the benefit

80% of reference earnings (100% in case of medical/surgical emergencies).

Reference earnings: average of the monthly gross incomes earned by the beneficiary during six months preceding the contingency (or during the period that is shorter than six months).

2. Permanent incapacity

Minimum level of incapacity giving entitlement to compensation

Invalidity Pension (pensia de invaliditate) due to employment injuries or occupational diseases:

See Table V "Invalidity".

Possibility of review

See Table V "Invalidity".

Basic earnings used for calculating annuity

See Table V "Invalidity".

Amount or formula

See Table V "Invalidity".

However, there is no minimum period of affiliation for entitlement in case of Invalidity Pension due to employment injuries or occupational diseases.

Supplements for dependants

See Table V "Invalidity".

Supplements for care by another person

See Table V "Invalidity".

Redemption

No redemption possible.

Accumulation with new earnings from work

See Table V "Invalidity".

Accumulation with other pensions

See Table V "Invalidity".

3. Death

Surviving spouse

Survivor Pension (pensia de urmas) due to employment injuries or occupational diseases:

Conditions:

Level of income lower than one fourth of the projected average gross wage, i.e. RON 387.50 (€ 108), and deceased's cause of death related to employment injuries, occupational diseases or tuberculosis.

Benefits:

See Table VII "Survivors".

Orphans (of father or mother, of both parents)

For conditions and benefits, see Table VII "Survivors".

Dependent parents and other relatives

No benefits to dependant parents or other relatives.

Maximum for all beneficiaries

See Table VII "Survivors".

Capital sum on death

Death Allowance (ajutor de deces) granted to the person who paid the funeral expenses in case of an insured person's death due to employment injuries or occupational diseases. Lump sum – four times the realized average gross wage for the month contingency occurred.

4. Rehabilitation

Medical rehabilitation:

Beneficiaries have the right to medical services and have the obligation to attend individual recovery programs. Social insurance expert physician prepares the individual recovery program.

Vocational rehabilitation:

Beneficiaries have the right to vocational training or retraining courses.

The public system of pensions' scheme is also providing rehabilitation (See Table V "Invalidity").

5. Other benefits

Cash benefits:

See Table V "Invalidity".

Indemnity for Temporary Assignment to another Work (indemnizatia pentru trecerea temporara in alt loc de munca),

Indemnity for Reduction of Working Time (indemnizatia pentru reducerea timpului de munca),

Integrity Compensations (compensatii pentru atingerea integritatii),

Indemnity for Attendance of Vocational Training or Retraining Courses (indemnizatia pe durata cursurilor de calificare sau reconversie profesionala).

In-kind benefits:

See Table V "Invalidity".

Adjustment

Temporary Working Incapacity Indemnity (indemnizatia pentru incapacitate temporara de munca):

Adjustment according to Government Decisions in case duration exceeds 90 days.

Invalidity Pension (pensia de invaliditate) and Survivor Pension (pensia de urmas):

See Table V "Invalidity".

Taxation and social contributions

1. Taxation of cash benefits

Temporary Working Incapacity Indemnity (indemnizatia pentru incapacitate temporara de munca):

Subject to taxation.

Invalidity Pension (pensia de invaliditate) and Survivor Pension (pensia de urmas):

See Table V "Invalidity" and Table VII "Survivors".

2. Limit of income for tax relief or tax reduction

Temporary Working Incapacity Indemnity (indemnizatia pentru incapacitate temporara de munca):

No tax relief or tax reduction.

Invalidity Pension (pensia de invaliditate) and Survivor Pension (pensia de urmas):

See Table V "Invalidity" and Table VII "Survivors".

3. Social security contributions from benefits

Temporary Working Incapacity Indemnity (indemnizatia pentru incapacitate temporara de munca):

Beneficiary subject to employee contribution mentioned at Table I "Financing" under "Contributions of insured and employers"/"Unemployment", in case sickness period is shorter than 30 days.

Invalidity Pension (pensia de invaliditate) and Survivor Pension (pensia de urmas):

See Table V "Invalidity" and Table VII "Survivors".

IX. Family benefits

Applicable statutory basis

Law 61 of 22 September 1993 on State Allowance for Children (Legea privind alocatia de stat pentru copii), with subsequent amendments.

Emergency Ordinance 105 of 24 October 2003 on Complementary Family Allowance and Support Allowance for Single-Parent Family (Ordonanta de urgenta privind alocatia familiala complementara si alocatia de sustinere pentru familia monoparentala), with subsequent amendments.

Emergency Ordinance 148 of 3 November 2005 on Family Support for Child-Raising (Ordonanta de urgenta privind sustinerea familiei in vederea cresterii copilului), with subsequent amendments.

Child benefit

1. Basic principles

Universal social assistance scheme, financed by the State Budget, providing flat-rate benefits, including State Allowance for Children (alocatia de stat pentru copii) and Complementary Family Allowance (alocatia familiala complementara).

2. Field of application: beneficiaries

State Allowance for Children (alocatia de stat pentru copii):

Children.

Complementary Family Allowance (alocatia familiala complementara):

Families with children.

3. Conditions

Residence of the child

Children with domicile or residence in Romania.

Other conditions

State Allowance for Children (alocatia de stat pentru copii):

- Child living with parents.

Complementary Family Allowance (alocatia familiala complementara):

- Family living with child, in maintenance,
- child of school age attending a form of education,
- family member net income threshold RON 184 (€ 50).

4. Age limit

State Allowance for Children (alocatia de stat pentru copii):

Maximum age of 18 years (or maximum secondary or post-secondary graduation age).

Complementary Family Allowance (alocatia familiala complementara):

Maximum age of 18 years.

5. Benefits

Monthly amounts

State Allowance for Children (alocatia de stat pentru copii):

RON 40 (€ 11).

Complementary Family Allowance (alocatia familiala complementara):

Differs with the number of children within the family:

Number of children: Amount per month

1 child: RON 38 (€ 10)

2 children: RON 44 (€ 12)

3 children: RON 49 (€ 13)

4 and more: RON 54 (€ 15)

For family entitled to Social Aid (ajutor social) (see Table XI "Guarantee of sufficient resources"), Complementary Family Allowance is increased by 25%.

Variation with income

State Allowance for Children (alocatia de stat pentru copii):

No variation with income.

Complementary Family Allowance (alocatia familiala complementara):

For family entitled to Social Aid (ajutor social) (see table XI "Guarantee of sufficient resources"), Complementary Family Allowance is increased by 25%.

Variation with age

State Allowance for Children (alocatia de stat pentru copii):

No variation with age.

Complementary Family Allowance (alocatia familiala complementara):

No variation with age.

6. Special cases: (unemployed persons, pensioners, orphans)

Normal family benefits.

Child-raising allowances

1. Basic principles

Universal social assistance scheme, financed by the State Budget, providing flat-rate benefits, including Child-Raising Indemnity (indemnizatia pentru cresterea copilului).

2. Field of application: beneficiaries

Romanian citizens, foreign citizens, stateless persons, with domicile or residence in Romania: Any parent (including adoptive and foster parents, guardians).

3. Conditions

- Twelve months period of taxable income before confinement,
- Limit of three confinements,
- Leave to care for child,

- Living with child, in maintenance,
- Child not receiving social services within an institutionalized framework.

4. Amounts of benefits

RON 600 (€ 164) per month. Duration of payment is two years after confinement.

Child care allowances

1. Basic principles

Universal social assistance scheme, financed by the State Budget, providing flat-rate benefits, including Placement Allowance for Child in Difficulty (alocatia de plasament pentru copilul aflat in dificultate).

2. Field of application: beneficiaries

Individual, families, or child in difficulty.

3. Conditions

Individual or families:

Fostering the child in difficulty,

Child in difficulty:

Aged from 18 years until graduation age, but no later than the age of 25 years.

4. Amounts of benefits

RON 90 (€ 25) per month per child.

Other benefits

1. Birth and adoption grants

Allowance for Newborn Children (alocatia pentru copiii nou-nascuti):

Lump sum of RON 213 (€ 58) for each of the first four childbirths.

2. Allowance for single parents

Support Allowance for Single-Parent Family (alocatia de sustinere pentru familia monoparentala):

Differs with the number of children within the single-parent family:

Number of children	Amount per month
1 child	RON 54 (€ 15)
2 children	RON 65 (€ 18)
3 children	RON 73 (€ 20)
4 and more	RON 83 (€ 23)

3. Special allowances for handicapped children

e.g. State Allowance for Handicapped Children (alocatia de stat pentru copii cu handicap):

See Table IX, "5. Benefits: Monthly amounts". However, in case of disabled children, the benefit amounts are increased by 100%.

4. Advance on maintenance payments

No advance on maintenance payments.

5. Other allowances

e.g. Bonus for Achieving Incomes during the Child-Raising Period (stimulent pentru realizarea de venituri profesionale in perioada de crestere a copilului) as an alternative to Child-Raising Indemnity (indemnizatia pentru cresterea copilului).

Adjustment

Adjustment according to the development of consumer price index by Government Decisions.

Taxation and social contributions

1. Taxation of cash benefits

Benefits are not subject to taxation.

2. Limit of income for tax relief or tax reduction

Not applicable.

3. Social security contributions from benefits

No contributions from the beneficiary.

X. Unemployment

Applicable statutory basis

Law 76 of 16 January 2002 on Unemployment Insurance System and Furtherance of Employment (Legea privind sistemul asigurarilor pentru somaj si stimularea ocuparii fortei de munca), with subsequent amendments.

Basic principles

Compulsory general social insurance scheme, financed by contributions, covering employees and providing earnings-related and flat-rate benefits.

No special unemployment assistance scheme, but see Table XI "Guarantee of sufficient resources".

Field of application

Statutory coverage based on the personal statute for Romanian citizens, foreign citizens, stateless persons, with domicile or residence in Romania who are employees, persons assimilated to employees, civil servants.

Voluntary regime is available for the others e.g. self-employed, Romanian citizens working abroad, etc.

Pensioners are exempted from both compulsory and voluntary insurance.

Total unemployment

1. Conditions

Main conditions

- Involuntarily unemployed,
- Loss of job, lack of self-employment income or self-employment income

- lower than minimum gross wage, i.e. RON 500 (€ 137),
- Working capacity,
 - Recruitment availability,
 - Age of 16 years until retirement age,
 - Registered with the National Agency for Labour Force Employment,
 - Employment seeking,
 - Domicile or residence in Romania,
 - Application for benefit within 12 months.

Qualifying period

12 months during the 24 months preceding registration.

Means test

No means test.

Waiting period

No waiting period.

2. Benefits

Determining factors

Unemployment Indemnity (indemnizatia de somaj):

Minimum gross wage, reference earnings, length of contribution period.

Earnings taken as reference and ceiling

Monthly gross income similar with the calculation basis for employee contribution mentioned at Table I "Financing" under "Contributions of insured and employers"/"Unemployment".

Reference period is the last 12 months contribution period. No ceiling.

Rates of the benefits

Unemployment Indemnity (indemnizatia de somaj) formula is:

$$UI = P1 * MGW + P2 * AGW$$

Where

UI = Unemployment Indemnity

P1 = Percentage varying with the length of contribution period: Less than one year: 0%; one and over one year: 75%; the percentage for graduates is 50%.

MGW = Minimum Gross Wage = RON 500 (€ 137).

P2 = Percentage varying with the length of contribution period: Less than 3 years: 0%; 3-5 years: 3%; 5-10 years: 5%; 10-20 years: 7%; 20 years and more: 10%.

AGW = Average gross wage earned during the last 12 months contribution period.

Family supplements

No family supplements.

Other supplements

No other supplements.

Duration of payment

Duration of payment varies according to contribution period:

Contribution period	Duration of payment
1-5 years	6 months
5-10 years	9 months
over 10 years	12 month

Duration of payment for graduates is 6 months.

3. Sanctions

Termination of entitlement for Unemployment Indemnity (indemnizatia de somaj) for:

- Unjustified job offer turn down in case of a workplace located at maximum 50 km away from home,
- unjustified vocational rehabilitation turn down.

Suspension of payment for Unemployment Indemnity for:

Not going monthly or when requested to the National Agency for Labour Force Employment.

4. Accumulation with other social security benefits

No accumulation possible with: Temporary Working Incapacity Indemnity (indemnizatia pentru incapacitate temporara de munca) including due to employment injuries and occupational diseases occurred during the vocational training of unemployed, Maternity Indemnity (indemnizatia pentru maternitate), Indemnity for Child-Raising (indemnizatia pentru cresterea copilului).

5. Accumulation with earnings from work

Accumulation permitted for self-employment income lower than minimum gross wage, i.e. RON 500 (€ 137).

Partial unemployment

1. Definition

No special provisions.

2. Conditions

Not applicable.

3. Rates of the benefits

Not applicable.

4. Sanctions

Not applicable.

5. Accumulation with other social security benefits

Not applicable.

6. Accumulation with earnings from work

Not applicable.

Benefits for older unemployed

1. Measure

No special provisions.

2. Conditions

Not applicable.

3. Rates of the benefits

Not applicable.

4. Accumulation

Not applicable.

Adjustment

No statutory adjustment.

Taxation and social contributions

1. Taxation of cash benefits

Unemployment Indemnity (indemnizatia de somaj):

Not subject to taxation.

2. Limit of income for tax relief or tax reduction

Not applicable.

3. Social security contributions from benefits

No contributions from the beneficiary.

XI. Minimum resources

General non-contributory minimum

Designation

Social Aid (ajutor social).

Applicable statutory basis

Law 416 of 18 July 2001 on Guaranteed Minimum Income (Legea privind venitul minim garantat), with subsequent amendments.

Basic principles

Universal social assistance scheme, financed by the local budgets, providing a differential benefit i.e. Social Aid (ajutor social).

Social Aid is aimed at covering the basic needs by guaranteeing a minimum income support according to the solidarity principle.

Entitled persons / beneficiaries

Family and individual.

General conditions

1. Duration

Unlimited.

2. Nationality

No nationality condition.

3. Residence

Permanent or temporary residence in Romania. Family members must live together.

4. Age

Individual: Minimum 18 years of age.

5. Willingness to work

Required solely to the family member or individual meeting the following conditions:

- Age between 16 years and retirement age,
- working capacity,
- lack of wage or other income,
- not attending a form of education.

6. Exhaustion of other claims

No condition.

7. Other conditions

- Family or individual net income lower than Guaranteed Minimum Income (venit minim garantat),
- family or individual owned goods excluded from the list of non-basic need goods.

Guaranteed Minimum

1. Determination of the minimum

Guaranteed Minimum Income (venit minim garantat) is set by Government.

2. Level of determination

National level.

3. Domestic unit for the calculation of resources

Family/individual.

4. Resources taken into account

Net income earned monthly by the domestic unit such as wage and other income, social benefits with exceptions.

Guaranteed amounts

1. Categories

The Guaranteed Minimum Income (venit minim garantat) for an individual is RON 100 (€ 27) per month.

The Guaranteed Minimum Income for a family differs with the number of family members:

Family with 2 persons:

RON 181 (€ 50)

Family with 3 persons:

RON 252 (€ 69)

Family with 4 persons:

RON 314 (€ 86)

Family with 5 persons:

RON 372 (€ 102)

For more than five family members the Guaranteed Minimum Income is increased with RON 25 (€ 6.85) for each supplementary family member.

Social Aid (ajutor social) is calculated according the formula:

SA = GMI-NI

Where

SA = Social Aid

GMI = Guaranteed Minimum Income.

NI = Net income

The Minimum Social Aid is RON 5 (€ 1.37) per month.

2. Specific supplements and single benefits

In case of family member decease, the family beneficiary of Social Aid (ajutor social) is entitled to partial reimbursement of funeral expenses.

3. Guaranteed minimum and family allowances

The State Allowance for Children (alocatia de stat pentru copii) is treated as income, the Complementary Family Allowance (alocatia familiala complementara) is not taken into account.

4. Examples

Examples:

- Single aged 25: Social Aid = $100 - 0 = \text{RON } 100$ (€ 27).
- Couple, no children: Social Aid = $181 - 0 = \text{RON } 181$ (€ 50).
- Couple, child of 10: Social Aid = $252 - 40*1 = \text{RON } 212$ (€ 58).
- Couple, two children 8 and 12: Social Aid = $314 - 40*2 = \text{RON } 234$ (€ 64).
- Couple, three children 8, 10 and 12: Social Aid = $372 - 40*3 = \text{RON } 252$ (€ 69).
- Lone parent, aged 18& 43, child of 10: Social Aid = $181 - 40*1 = \text{RON } 141$ (€ 39).
- Lone parent, aged 18& 43, two children 8 and 10: Social Aid = $252 - 40*2 = \text{RON } 172$ (€ 47).

State Allowance for Children (alocatia de stat pentru copii) is RON 40 (€ 11) (see Table IX "Family benefits").

5. Relations between the amounts

See "Categories" above.

Recovery

Unjustified amounts are recovered from the beneficiary (family representative or individual) based on the procedure of budgetary debts enforcement.

Indexation

The Guaranteed Minimum Income (venit minim garantat) is annually adjusted, according to the development of consumer price index, by Government Decisions.

Taxation and social contributions

1. Taxation of cash benefits

Benefits are not subject to taxation.

2. Limit of income for tax relief or tax reduction

Not applicable.

3. Social security contributions from benefits

No contributions from the beneficiary.

Measures stimulating social and professional integration

Social Aid (ajutor social) is increased by 15% in case at least one family member is employed.

Associated rights

1. Health

Social Aid (ajutor social) beneficiary is covered by the health care scheme (see Table II "Health Care").

2. Housing and heating

e.g. Allowance for Heating of Dwelling by Wood, Coal or Gas (ajutor pentru incalzirea locuintei cu lemne, cărbuni și combustibili petrolieri) for Social Aid beneficiary.

Other specific non-contributory minima

I. Old-age

1. Designation

No special scheme.

2. Principle

Not applicable.

3. Main conditions of eligibility

Not applicable.

4. Amount payable

Not applicable.

II. Invalidity

1. Designation

No special scheme.

2. Principle

Not applicable.

3. Main conditions of eligibility

Not applicable.

4. Amount payable

Not applicable.

III. Other specific non-contributory minima

No other non-contributory minima.

Other specific minima (Cont.)

No other non-contributory minima.

XII. Long-term care

Applicable statutory basis

Law 448 of 6 December 2006 on Protection and Promotion of Handicapped Persons' Rights (Legea privind protectia si promovarea drepturilor persoanelor cu handicap).

Law 17 of 6 March 2000 on Social Assistance of Senior Persons (Legea privind asistenta sociala a persoanelor varstnice), with subsequent amendments.

Basic principles

No special scheme. Long-term care benefits are provided by different schemes covering largely invalidity, employment injuries and occupational diseases, old age, etc.

Risk covered

No special definition for long-term care.

Field of application

Romanian citizens, foreign citizens, stateless persons, with domicile or residence in Romania who are e.g.:

- Handicapped persons (persons who due to physical, mental or sensory impairments, are incapable to perform daily activities and need protection measures supporting recovery, integration, and social inclusion),
- Senior persons (persons at standard retirement age, without family, without house, with insufficient income, and need for specialized care).

Conditions

1. Age

Handicapped person:

Some benefits may be provided disjointedly to children or to adults.

Senior persons:

Standard retirement age (see Table VI "Old-age").

2. Qualifying period

No qualifying period.

Benefits in kind

1. Home care

Handicapped persons:

- Personal Assistant (asistent personal),
- Qualified Personal Assistant (asistent personal profesionist).

Senior persons:

Caregiver (persoana de ingrijire).

2. Semi stationary care

Handicapped person:

Day centres.

Senior persons:

Day centres for senior persons, etc.

3. Nursing home care

Handicapped person:

Residential centres:

- Care and assistance centres,
- Recovery and rehabilitation centres,
- Integration centres through vocational therapy,
- Centres for training for an independent life,
- Crisis centres,
- Centres for community and training services,
- Sheltered housing, etc.

Senior persons:

Hostels for senior persons.

4. Other benefits

Handicapped persons:

e.g. Gratuities by Urban Transportation (calatorii gratuite la transportul urban).

Cash benefits

1. Home care

Handicapped persons:

Indemnity (indemnizatie) as an alternative to Personal Assistant (asistent personal) (see "Benefits in kind: Home care").

Senior persons:

No home care cash benefits.

2. Semi stationary care

Handicapped persons:

Indemnity (indemnizatie) as an alternative to Personal Assistant (asistent personal) (see "Benefits in kind: Home care").

Senior persons:

No semi stationary care cash benefits.

3. Nursing home care

No nursing home care cash benefits.

4. Other benefits

Handicapped persons:

e.g. Complementary Personal Budget (buget personal complementar) for payment of tariffs (phone, radio, television, electricity subscriptions).

Senior persons:

No other benefits.

Participation of the beneficiary

Handicapped persons:

Contribution of the beneficiary.

Senior persons in home care:

Contribution of the beneficiary as long as his/her net income exceeds one fifth of the Guaranteed Minimum Income (venit minim garantat) for an individual, i.e. RON 20.00 (€ 5.48).

Senior persons in nursing home care:

Contribution of the beneficiary, when earning income.

Accumulation

Accumulation with benefits provided by other schemes is possible, under the terms of these schemes.

Taxation

The cash benefits are not subject to taxation.