Romania
Exchange rate: US$1.00 equals 2.94 new lei.

Old Age, Disability, and Survivors

Regulatory Framework
First law: 1912.
Type of program: Social insurance and individual account system.

Coverage
Social insurance: Employed persons with individual labor contracts; civil servants; certain officials within the executive, legislative, and judicial authorities; craft cooperative members; unemployment benefit recipients; self-employed persons; and certain other workers.
Voluntary coverage for any interested persons.
Special systems for certain professions, such as lawyers, military personnel, and the clergy.
Mandatory individual accounts: All employed and self-employed persons younger than age 36 on January 1, 2008.
Voluntary coverage for those aged 36 to 45 on January 1, 2008.

Source of Funds
Insured person
Social insurance: 10.5% of gross earnings if under social insurance only; 8.5% of gross earnings if under the social insurance and mandatory individual account system.
Voluntarily insured persons contribute 31.3% of insured income if under social insurance only; 29.3% of insured income if under the social insurance and mandatory individual account system.
The contribution to social insurance for those under the social insurance and mandatory individual account system is decreasing gradually.
There are no minimum or maximum earnings used to calculate contributions.
Mandatory individual account: 2% of gross earnings plus up to 2.5% of contributions and 0.05% of net assets under management a month for administrative fees.
The contribution to the individual account is rising gradually.

Employer
Social insurance: 20.8% of gross earnings for employees working under normal conditions; 25.8% of gross earnings for arduous conditions; 30.8% of gross earnings for very arduous conditions.
There are no minimum or maximum earnings used to calculate contributions.
Mandatory individual account: None.

Government
Social insurance: Any deficit.
Mandatory individual account: None.

Qualifying Conditions
Old-age pension (social insurance and individual account): Age 63 and 9 months with at least 12 years and 6 months of contributions (men) or age 58 and 9 months with at least 12 years and 6 months of contributions (women). The full pension is paid with at least 32 years and 6 months of contributions (men) or 27 years and 6 months of contributions (women).
The pensionable age and contribution periods are rising gradually by 2015 to age 65 (men) and 60 (women) with 15 years of contributions for the minimum pension and 35 years (men) or 30 years (women) for the full pension.
Coverage is credited for certain periods, including periods when social insurance benefits are received and for periods of university study, military service, or imprisonment.
Lower age requirements apply to persons employed in arduous or dangerous work, persons who have a disability or visual impairment, persons who were imprisoned because of their political beliefs, teachers (under certain conditions),
and women who have given birth to three or more children (under certain conditions and if eligible for the full pension).

Early pension: Paid from up to 5 years before the normal retirement age if the insured's number of paid contributions exceeds the number of contributions required for the full pension by at least 10 years.

Partial early pension: Paid from up to 5 years before the normal retirement age if the insured's number of paid contributions exceeds the number of contributions required for the full pension.

Disability pension (social insurance): Paid for the loss of at least 50% of working capacity as the result of an accident (including work-related accidents) and diseases (including occupational diseases and tuberculosis). For students and apprentices, only disabilities resulting from work are covered. Prior contribution conditions vary according to the insured's age when the disability began. Contribution conditions are waived if the disability is the result of a work accident, an occupational disease, tuberculosis, or military service.

Disability pension (individual account): Paid if assessed with a permanent disability and incapacity for any work.

Survivor pension (social insurance): The insured was eligible for a pension or was a pensioner at the time of death.

Eligible survivors are a widow(er) who satisfies age and marriage conditions or has a disability (waived if the death is caused by a work accident, an occupational disease, tuberculosis, or if the survivor has a dependent child younger than age 7) and children up to age 16 (age 26 if a student, depending on the duration of studies; no limit if disabled). A limited pension is paid for 6 months to a low-income uninsured spouse who does not satisfy the age and marriage conditions.

Funeral grant (social insurance): Paid for the death of the insured or the insured's dependent. The benefit is paid to an eligible survivor, to the deceased's legal heir, or to the person who paid for the funeral.

Survivor pension (individual account): If the insured dies before receiving a benefit from the individual account, the value of his or her accumulated assets is split and transferred to the individual accounts of eligible survivors.

**Old-Age Benefits**

Old-age pension (social insurance): The pension is based on the insured's average lifetime accumulated pension points multiplied by the pension point value at the date of retirement. The number of pension points accumulated during 1 year is the insured's monthly average wage divided by the national monthly average wage. At retirement, the average number of pension points is calculated by dividing the insured's total lifetime accumulated pension points by the number of years of contributions.

The pension point value is 732.8 new lei (October 2009). Insured persons can resume gainful activity if the net pension is less than the national monthly average gross wage. The national monthly average gross wage is 1,693 new lei.

Early pension: The early pension is calculated in the same way as the old-age pension. Credited covered periods are not taken into account for pension calculation.

Partial early pension: A reduced pension is paid. Credited covered periods are not taken into account for pension calculation.

Old-age benefits are payable abroad.

Benefit adjustment: Benefits are adjusted annually in December according to changes in the pension point value, which is linked to the expected inflation rate for the coming year.

Old-age pension (individual account): At the normal pensionable age, the insured receives a monthly pension for life based on the value of the accumulated capital. If the calculated monthly pension is lower than a prescribed monthly minimum, a lump sum may be paid or a limited pension paid for up to 5 years.

**Permanent Disability Benefits**

Disability pension (social insurance): The pension is based on the insured's average lifetime accumulated pension points multiplied by the pension point value on the date the disability began. The number of pension points accumulated during 1 year is the insured's monthly average wage divided by the national monthly average wage. In addition, for each year that the disability began before the insured has the required number of contributions for the full pension, the insured is credited with 0.75 pension points for a 1st degree disability (incapacity for any work and requiring constant attendance), 0.6 pension points for a 2nd degree disability (incapacity for any work but not requiring constant attendance), or 0.4 pension points for a 3rd degree disability (incapacity for usual work). The average lifetime accumulated pension points is calculated by dividing the insured's total lifetime accumulated pension points by the number of years of contributions.

The pension point value is 732.8 new lei (October 2009). Constant-attendance supplement: If the insured is assessed with a 1st degree disability, a lump sum of 587 new lei is paid.

At the pensionable age, the insured can opt for a disability pension or an old-age pension, whichever is greater. If the insured is assessed with a 1st degree disability, the constant-attendance allowance continues to be paid with either option.
Insured persons receiving a 3rd degree disability pension can combine the pension with earnings from gainful employment if the net pension is less than the national monthly average gross wage.

The national monthly average gross wage is 1,693 new lei. Disability benefits are payable abroad.

Benefit adjustment: Benefits are adjusted annually in December according to changes in the pension point value, which is linked to the expected inflation rate for the coming year.

Disability pension (individual account): The insured receives a monthly pension based on the value of the accumulated capital. If the calculated monthly pension is lower than a prescribed monthly minimum, a lump sum may be paid or a limited pension paid for up to 5 years.

**Survivor Benefits**

Survivor pension (social insurance): The pension is based on the old-age pension the deceased received or was entitled to receive. If the deceased was not eligible for the old-age pension or received a disability or early old-age pension, the survivor pension is based on the 1st degree disability pension. The pension amount is calculated as a percentage of the average lifetime pension points accrued to the deceased. That percentage varies according to number of eligible survivors: for one survivor, 50%; for two survivors, 75%; or for 3 or more survivors, 100%.

If the survivor is also eligible for an old-age pension in his or her own right, the greater of the two benefits is paid. Full orphans receive two pensions if both parents were insured. Survivor benefits are payable abroad under bilateral agreement.

Benefit adjustment: Benefits are adjusted annually in December according to changes in the pension point value, which is linked to the expected inflation rate for the coming year.

Survivor pension (individual account): If the insured dies before receiving a benefit from the individual account, the value of his or her accumulated assets is split and transferred to the individual accounts of eligible survivors.

Funeral grant (social insurance): A lump sum of 1,702 new lei is paid for the insured’s funeral; the grant is reduced by 50% for the funeral of the insured’s dependent.

**Administrative Organization**

Social insurance

Ministry of Labor, Family, and Social Protection (http://www.mmuncii.ro) is responsible for general supervision and policy development.

National Pension and Social Insurance Fund (http://www.cnpas.org), with regional pension funds, administers the program.

**Individual account**

Private Pension Supervision Commission (http://www.csspp.ro) regulates and supervises pension funds. Private pension fund administrators administer individual capitalization accounts and pay pensions.

**Sickness and Maternity**

**Regulatory Framework**

First law: 1930.

Current laws: 2005 (benefits) and 2006 (social health insurance).

**Type of program**: Social insurance system.

**Coverage**

Cash sickness and maternity benefits: Employed persons with individual labor contracts; civil servants; certain officials within the executive, legislative, and judicial authorities; craft cooperative members; unemployment benefit recipients; self-employed persons; and certain other workers.

Medical benefits: All persons residing in Romania, including foreign nationals permanently residing in the country. Voluntary coverage for temporary residents and diplomatic staff accredited in Romania.

**Source of Funds**

**Insured person**

Cash benefits: None.

Medical benefits: 5.2% of earnings.

**Self-employed person**

Cash benefits: 0.85% of earnings.

Medical benefits: 6.5% of earnings.

The self-employed person’s contributions for medical benefits also finance work injury medical benefits.

**Employer**

Cash benefits: 0.85% of covered payroll.

Medical benefits: 5.5% of covered payroll.

The employer’s contributions for medical benefits also finance work injury medical benefits.

**Government**

Cash benefits: None.
Romania

**Medical benefits:** Subsidizes deficits. The National Agency for Employment, which administers the unemployment insurance program pays 0.75% of its operational surplus to the National Health Insurance Fund.

**Qualifying Conditions**

**Cash sickness benefits:** The insured must have at least 1 month of contributions in the 12 calendar months before the incapacity began; no qualifying conditions apply for emergency surgery and in cases of tuberculosis, AIDS, or other contagious diseases.

Coverage is credited for certain periods, including periods during which social insurance benefits are received and for periods of university study, military service, or imprisonment.

**Illness prevention and rehabilitation for work benefit:** Paid to a person undergoing temporary rehabilitation through placement in an alternative job.

**Cash maternity benefits:** The insured must have at least 1 month of contributions in the last 12 months.

**Maternity risk benefit:** Paid to a pregnant worker or to an employed mother to protect the health of the mother or her child.

**Child care allowance:** Paid to provide care for a sick child younger than age 7 (age 18 if disabled).

**Medical benefits:** Must have at least 1 month of contributions in the last 12 months; no qualifying conditions apply for certain categories of residents, for emergency surgery, and in cases of tuberculosis, AIDS, or other contagious illnesses.

**Sickness and Maternity Benefits**

**Sickness benefit:** The benefit is 75% of the insured's average monthly earnings in the last 6 months before the incapacity began (100% for emergency surgery, tuberculosis, AIDS, and other contagious illnesses). The benefit is paid for up to 183 days a year for each illness; may be extended in some cases.

The maximum monthly earnings used to calculate benefits are 12 times the national gross monthly minimum wage.

**Illness prevention and rehabilitation for work benefit:** The benefit comprises two elements: temporary rehabilitation through placement in an alternative job and a cash benefit to replace part of the earnings lost as a result of a reduction in working hours. The value of each benefit must not exceed 25% of the insured's average monthly earnings in the 6 months before the incapacity began. Benefits are paid for up to 90 days a year. A benefit of 75% of the insured's average monthly earnings in the 6 months before the incapacity began is paid to persons who are quarantined.

The maximum monthly earnings used to calculate benefits are 12 times the national gross monthly minimum wage.

**Maternity benefit:** 85% of the insured's average monthly earnings in the 6 months before the expected date of childbirth is paid. The benefit is paid for up to 126 days.

The maximum monthly earnings used to calculate benefits are 12 times the national gross monthly minimum wage.

**Maternity risk benefit:** 75% of the insured's average monthly earnings in the 6 months before the expected date of childbirth is paid.

The maximum monthly earnings used to calculate benefits are 12 times the national gross monthly minimum wage.

**Child care allowance:** The allowance is 85% of the insured's average monthly earnings in the 6 months before the claim. The benefit is paid for up to 45 days per calendar year (may be extended in case of emergency surgery, tuberculosis, AIDS, and other contagious illnesses) for a child younger than age 7 (age 18 if disabled).

Average monthly earnings are the insured's average earnings in the last 6 months before the incapacity began.

The maximum monthly earnings used to calculate benefits are 12 times the national gross monthly minimum wage.

**Workers’ Medical Benefits**

Medical services are provided directly to patients by providers with contracts with local health insurance funds. Medical benefits include general and specialist care, outpatient care, hospitalization, medicine, appliances, rehabilitation, preventive medical care, maternity care, transportation, and other services.

**Dependents’ Medical Benefits**

Medical services are provided directly to patients by contract providers with local health insurance funds. Medical benefits include general and specialist care, outpatient care, hospitalization, medicine, appliances, rehabilitation, preventive medical care, maternity care, transportation, and other services.

**Administrative Organization**

National Health Insurance Fund (http://www.cnas.ro) administers the social health insurance program.

**Work Injury**

**Regulatory Framework**

**First law:** 1912.

**Current laws:** 2000 (social insurance), implemented in 2001; and 2002 (work injury).

**Type of program:** Social insurance system.
Coverage
Persons with individual labor contracts; civil servants; certain officials within the executive, legislative, and judicial authorities; cooperative members; unemployment benefit recipients; full-time students, apprentices, and occupational training students.
Voluntary coverage is possible for self-employed persons, agricultural workers and certain other workers.

Source of Funds
Insured person: None; voluntary contributors pay 1% of the average monthly income (not less than the national minimum gross wage).
Self-employed person: 1% of the average monthly income (not less than the national minimum gross wage).
Employer: Between 0.15% and 0.85% of average gross monthly income, according to the assessed degree of risk.
Government: Provides subsidies.

Qualifying Conditions
Work injury benefits: There is no minimum qualifying period. The insured must have at least a 50% loss in working capacity as the result of a work injury or an occupational disease.
For full-time students, apprentices, and occupational training students, only accidents occurring during work and occupational diseases are covered.

Temporary Disability Benefits
The benefit is 80% of the insured’s average wage in the 6 calendar months before the disability began and is paid from the first day of disability for up to 180 days a year. If the insured has to undergo emergency medical treatment, the benefit is 100% of the insured’s average wage. The benefit is paid by the employer until recovery or the certification of permanent disability.

Permanent Disability Benefits
Permanent disability pension: The pension is based on the insured’s average lifetime accumulated pension points multiplied by the pension point value on the date the disability began. The number of pension points accumulated during 1 year is the insured’s monthly average wage divided by the national monthly average wage. In addition, for each year that disability began before the insured has the required number of contributions for the full pension, the insured is credited with 0.75 pension points for a 1st degree disability (incapacity for any work and requiring constant attendance), 0.6 pension points for a 2nd degree disability (incapacity for any work but not requiring constant attendance), or 0.4 pension points for a 3rd degree disability (incapacity for usual work). The average lifetime accumulated pension points is calculated by dividing the insured’s total lifetime accumulated pension points by the number of years of contributions.
The pension point value is 732.80 new lei (October 2009). Constant-attendance supplement: If the insured is assessed with a 1st degree disability, a lump sum of 587 new lei is paid.
At the pensionable age, the insured can opt to receive the permanent disability pension or the old-age pension, whichever is greater. If the insured is assessed with a 1st degree disability, the constant-attendance allowance continues to be paid for either option.
Insured persons receiving a 3rd degree disability pension can combine the pension with earnings from gainful employment if the net pension is less than the national monthly gross wage.
The national monthly gross wage is 1,693 new lei.

Benefits are payable abroad.

Workers’ Medical Benefits
Medical services are provided directly to patients by contract providers with local health insurance funds. Medical benefits include general and specialist care, outpatient care, hospitalization, medicine, appliances, rehabilitation, transportation, and other services.

Survivor Benefits
Survivor pension: The pension is based on the old-age pension the deceased received or was entitled to receive. If the deceased was not eligible for the old-age pension or received a disability or early old-age pension, the survivor pension is based on the 1st degree disability pension. The pension amount is calculated as a percentage of the average lifetime pension points accrued to the deceased. That percentage varies according to number of eligible survivors: for one survivor, 50%; for two survivors, 75%; or for 3 or more survivors, 100%.
If the survivor is also eligible for an old-age pension in his or her own right, the greater of the two benefits is paid. Full orphans receive two pensions if both parents were insured.
Benefits are payable abroad.

Funeral grant: A lump sum of 1,550 new lei is paid for the insured’s funeral; the grant is reduced by 50% for the funeral of the insured’s dependent.

Administrative Organization
Romania

National Pension and Social Insurance Fund (http://www.cnpas.org), with regional pension funds, administers the program.

Unemployment

Regulatory Framework
Type of program: Social insurance system.

Coverage
Employed persons with individual labor contracts; civil servants; military personnel; certain officials within the executive, legislative, and judicial authorities; and craft cooperative members.
Voluntary coverage for self-employed persons, and certain other workers.

Source of Funds
Insured person: 0.5% of covered earnings.
There are no maximum earnings used to calculate contributions.
Self-employed person: 1% of declared covered earnings.
There are no maximum earnings used to calculate contributions.
Employer: 0.5% of covered earnings.
There are no maximum earnings used to calculate contributions.
Government: Any deficit.

Qualifying Conditions
Unemployment benefits: The insured must have at least 12 months of contributions in the last 24 months before unemployment and must be younger than retirement age. The insured must not have income above a certain level and be registered at the local labor office.
First-time job seekers older than age 16 with no independent income who have not found employment 60 days after the end of their school or university studies are also eligible.

Unemployment Benefits
The benefit is 75% of the national monthly minimum wage plus 3% to 10% of the average earnings of the insured in the last 12 months (depending on the number of contributions) and is paid for 6 months if the insured has at least 1 year of contributions; 9 months with more than 5 years; 12 months with more than 10 years.
Graduates who are first-time job seekers receive 50% of the national monthly minimum wage for 6 months.

An unemployed person who resumes full-time employment before the awarded benefit period ends receives 30% of the benefit entitlement during the remaining period.
If the new workplace is located more than 50 kilometers from the insured’s home, a lump sum of twice the national monthly minimum wage is paid. If the new employment requires the insured to relocate, the lump sum is 7 times the social reference base.
Certain other incentives in the form of subsidies, exemption from unemployment insurance contributions, or access to loans under favorable conditions are awarded to certain employers to enhance job creation and encourage the recruitment of unemployed persons.

Administrative Organization
National Agency for Employment provides general supervision. Local offices administer the program.

Family Allowances

Regulatory Framework
First law: 1950.
Type of program: Universal system.

Coverage
All children residing in Romania.
All persons residing in Romania.

Source of Funds
Insured person: None.
Self-employed person: None.
Employer: None.
Government: The total cost.

Qualifying Conditions
State children allowances: Paid for children younger than age 18 (older if a full-time student or trainee).
Family Income supplement (income-tested): Paid if average per capita family income is 470 new lei a month or less.
Single-parent allowance (income-tested): Paid to single parents if average per capita family income is 470 new lei a month or less.
Parental leave (income-tested): Paid to parents who had income from work during the 12 months prior to the birth and is paid until the child reaches age 2 (3 if the child has a disability).

If the parents resume work before the end of the parental leave period, a reduced benefit is paid.

Birth grant: Paid to a mother for the birth of each child, for up to four children. Other benefits include layette (without limit to the number of children).

Benefits for persons diagnosed with HIV/AIDS: Paid to all persons diagnosed with HIV/AIDS.

Benefits for the blind: Paid to persons assessed as blind, according to three categories of disability.

Social Assistance: Paid to families and persons without income or with low income.

**Family Allowance Benefits**

State children allowances: 200 new lei a month is paid for each child up to age 2 (age 3 if disabled); 42 new lei a month for each child aged 3 or older (80 new lei if disabled).

Family Income supplement (income-tested): 50 new lei a month is paid for one child; 60 new lei for two; 65 new lei for three; or 70 new lei for four or more children.

Single-parent allowance (income-tested): 70 new lei a month is paid for one child; 80 new lei a month for two children; 85 new lei a month for three children; or 90 new lei a month for four or more children.

Parental leave (income-tested): 600 new lei a month or 85% of average earnings of the last 12 months, up to 4,000 new lei.

100 new lei a month is paid if the parents resume work before the end of the parental leave period.

Birth grant: A lump sum of 230 new lei is paid for each live birth. A layette equal in value to 150 new lei is paid for each birth.

Benefits for persons diagnosed with HIV/AIDS: A child receives 11 new lei per day; an adult receives 13 new lei per day.

Benefits for the blind: Benefits are paid according to three degrees of assessed disability: 461 new lei for an adult with total blindness; 202 new lei for a significant reduction in eyesight; and 166 new lei for a partial reduction in eyesight. A supplement of 91 new lei, 68 new lei, and 33.5 new lei is paid under some conditions.

Social Assistance: 125 new lei for households with 1 person; 225 new lei for households with 2 persons; 313 new lei for households with 3 persons; 390 new lei for households with 4 persons; 462 new lei for households with 5 persons; plus 31 new lei for each additional person in the household over 5 persons.

Unmarried persons and households with per capita income less than a fixed amount may receive cash and in-kind benefits to help pay heating costs.

Emergency assistance may be paid to persons, including refugees, assessed as needy.

**Administrative Organization**


The National Agency for Social Benefits administers all social benefits.

Local offices, local councils, and other institutions pay the benefits.