Romania
Exchange rate: US$1.00 = 3.28 new lei.

Old Age, Disability, and Survivors

Regulatory Framework
First law: 1912.
Current laws: 2004 (individual account) and 2010 (public pension system), implemented in 2011.
Type of program: Social insurance and individual account system.

Coverage
Social insurance: Employed persons with individual labor contracts; civil servants; military personnel; unemployment benefit recipients; self-employed persons; and certain other workers.
Special systems for certain professions, such as lawyers and the clergy.

Source of Funds
Insured person
Social insurance: 10.5% of gross earnings if under social insurance only; 7.5% of gross earnings if under social insurance and mandatory individual account.
There are no minimum or maximum earnings used to calculate contributions.
Mandatory individual account: 3% of gross earnings plus up to 2.5% of contributions and 0.05% of net assets under management a month for administrative fees.
There are no minimum or maximum earnings used to calculate contributions.
Self-employed person
Social insurance: 28.3% of income (decreasing gradually to 25% by 2016).
There are no minimum or maximum earnings used to calculate contributions.
Mandatory individual account: 3% of gross earnings plus up to 2.5% of contributions and 0.05% of net assets under management a month for administrative fees.
The minimum earnings used to calculate contributions are 35% of the national average gross salary.
The maximum earnings used to calculate contributions are five times the national average gross salary.

Employer
Social insurance: 20.8% of gross earnings; 25.8% for arduous conditions; 30.8% for very arduous conditions.
The maximum total payroll used to calculate contributions is the national average gross salary multiplied by the number of employees.
Mandatory individual account: None.

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

Qualifying Conditions
Old-age pension (social insurance and individual account): Age 64 and 3 months with at least 13 years and 6 months of contributions (men) or age 59 and 3 months with at least 13 years and 6 months of contributions (women). The full pension is paid with at least 33 years and 6 months of contributions (men) or 28 years and 6 months of contributions (women).
The pensionable age is rising gradually to age 65 by 2015 (men) and age 63 by 2030 (women). The contribution periods are rising gradually to 15 years of contributions for the minimum pension by 2015 (men and women) and 35 years of contributions for the full pension by 2015 (men) or 2030 (women).
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.
Lower age requirements apply to persons employed in arduous work, persons who have a disability or visual impairment, and women who have given birth to at least three children (under certain conditions).
Early pension: Paid from up to five 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 eight years.
Partial early pension: Paid from up to five 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 less than eight years.
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). The insured must be assessed with a first-degree-disability (incapacity for any work and requiring constant attendance), a second-degree disability...
(incapacity for any work but not requiring constant attendance), or a third-degree disability (incapacity for usual work). 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, neoplasia, schizophrenia, HIV/Aids, 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 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 pension is paid for six 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 the insured’s average lifetime accumulated number of pension points multiplied by the pension point value at the date of retirement. The average number of pension points is calculated by dividing the insured’s total lifetime accumulated number of pension points by the number of years of contributions. The number of pension points obtained during one year is the insured’s monthly average wage divided by the national monthly average wage.

The pension point value is 732.8 new lei.

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 purposes.

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

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):** A monthly pension for life is paid 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 pension paid for up to five years.

### Permanent Disability Benefits

**Disability pension (social insurance):** The pension is the insured’s average lifetime accumulated number of pension points multiplied by the pension point value.

The accumulated number of pension points is calculated by dividing the insured’s total lifetime accumulated number of pension points by the number of years of contributions (including credited contributions for “missed” contributions since the disability began). Pension points accrue at varying rates according to the degree of disability: 0.75 pension points a year for a first-degree disability; 0.6 for a second-degree disability; and 0.4 for a third-degree disability.

The pension point value is 732.8 new lei.

Constant-attendance supplement: A lump sum of 80% of the pension point value is paid for a first degree disability.

At the pensionable age, the insured can opt for a disability pension or an old-age pension, whichever is greater. The constant-attendance supplement is paid with either option.

A third degree disabled pensioner may also receive earnings from gainful employment.

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):** A monthly pension is paid based on the value of the accumulated lifetime capital. If the calculated monthly pension is lower than a prescribed monthly minimum, a lump sum may be paid or a pension paid for up to five years.

### Survivor Benefits

**Survivor pension (social insurance):** The pension is based on the old-age pension the deceased received or was entitled to receive. The pension amount is calculated as a percentage of the deceased’s average lifetime number of pension points that varies according to number of eligible survivors: for one survivor, 50%; for two survivors, 75%; or for three or more survivors, 100%.

If the deceased was ineligible for the old-age pension or received a disability or early old-age pension, the survivor pension is based on the first degree disability pension.
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 2,117 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 private pension fund administrators.

Private pension fund administrators manage individual 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; 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: 5.5% of earnings.

Self-employed person
Cash benefits: 0.85% of taxable income.
Medical benefits: 5.5% 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: 5.2% of covered payroll.

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

Government
Cash benefits: None.
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 one month of contributions in the 12 calendar months before the incapacity began; no qualifying conditions apply for emergency surgery and in cases of contagious diseases, pregnancy, or postnatal care.

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 rehabilitation who is placed temporarily in an alternative job.

Cash maternity benefits: The insured must have at least one 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 for providing care for a sick child younger than age 7 (age 18 if disabled).

Medical benefits: Must have at least one 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 diseases.
Romania

Sickness and Maternity Benefits

Sickness benefit: 75% of the insured’s average monthly earnings in the last six months before the incapacity began is paid (100% for emergency surgery, tuberculosis, AIDS, and other contagious diseases). 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: rehabilitation and temporary placement in an alternative job and a cash benefit to replace part of the earnings lost as a result of reduced working hours. The value of each benefit must not exceed 25% of the insured’s average monthly earnings in the six 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 six 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 six months before the expected date of childbirth 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 six 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: 85% of the insured’s average monthly earnings in the six months before the claim is paid. The allowance is paid for up to 45 days for each calendar year (may be extended in case of emergency surgery, tuberculosis, AIDS, and other contagious diseases).

Average monthly earnings are equal to the insured’s average earnings in the last six 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 under contract 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 benefits for dependents are the same as those for the insured.

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: 2002 (work injury) and 2010 (social insurance), implemented in 2011.

Type of program: Social insurance system.

Coverage

Persons with individual labor contracts; civil servants; unemployment benefit recipients; full-time students, apprentices, and students in occupational training.

Voluntary coverage is available for self-employed persons, agricultural workers and certain other workers.

Source of Funds

Insured person: None; the voluntarily insured 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: From 0.5% to 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.

Temporary Disability Benefits

80% of the insured’s average wage in the six calendar months before the disability began 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 certification of permanent disability.

Permanent Disability Benefits

Permanent disability pension: The pension is the insured’s average lifetime accumulated number of pension points multiplied by the pension point value.
The accumulated number of pension points is calculated by dividing the insured’s total lifetime number of accumulated pension points by the number of years of contributions (including credited contributions for “missed” contributions since the disability began). Pension points accrue at varying rates according to the degree of disability: 0.75 pension points a year for a first-degree disability; 0.6 for a second-degree disability; and 0.4 for a third-degree disability. The pension point value is 732.80 new lei.

Constant-attendance supplement: If the insured is assessed with a first 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 first degree disability, the constant-attendance allowance continues to be paid for either option.

Insured persons receiving a third 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 providers under contract 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. The pension amount is calculated as a percentage of the deceased’s average lifetime number of pension points that varies according to number of eligible survivors: for one survivor, 50%; for two survivors, 75%; or for three or more survivors, 100%.

If the deceased was ineligible for the old-age pension or received a disability or early old-age pension, the survivor pension is based on the first-degree disability pension.

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.

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.

**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**


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

**Unemployment**

**Regulatory Framework**


*Current law:* 2002.

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

**Coverage**

Employed persons with individual labor contracts; civil servants; military personnel.

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:* 1% of gross payroll.

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, be younger than retirement age, have income below 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**

75% of the reference social index plus 3% to 10% of the average earnings of the insured in the last 12 months is paid (depending on the number of contributions) for six months
if the insured has at least one year of contributions; nine months with more than five years; 12 months with more than 10 years. Graduates who are first-time job seekers receive 50% of the reference social index for six 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 more than 50 kilometers from the insured’s home, a lump sum of twice the reference social index is paid. If the new employment requires the insured to relocate, the lump sum is seven times the reference social index.

The reference social index is 500 new lei. Certain other incentives in the form of subsidies, exemption from unemployment insurance contribution payments, 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 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 lei if disabled).

Family Income supplement (income-tested): If average per capita family income is less than 200 new lei, 30 new lei a month is paid for one child; 60 new lei for two; 90 new lei for three; or 120 new lei for four or more children. If average per capita family income is 200 new lei to 370 new lei, 25 new lei a month is paid for one child; 50 new lei for two; 75 new lei for three; or 100 new lei for four or more children.

Single-parent allowance (income-tested): Paid to single parents if average per capita family income is 370 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. The benefit is paid until the child reaches age 2 (age 3 if disabled).

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

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

Benefits for disabled persons: Paid to disabled persons, according to the degree of disability.

Attendance allowance: Paid to persons assessed as blind if they require the assistance of others to perform daily functions.

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 lei if disabled).

Family Income supplement (income-tested): If average per capita family income is less than 200 new lei, 30 new lei a month is paid for one child; 60 new lei for two; 90 new lei for three; or 120 new lei for four or more children. If average per capita family income is 200 new lei to 370 new lei, 25 new lei a month is paid for one child; 50 new lei for two; 75 new lei for three; or 100 new lei for four or more children.

Single-parent allowance (income-tested): If average per capita family income is less than 200 new lei, 50 new lei a month is paid for one child; 100 new lei for two; 150 new lei for three; or 200 new lei for four or more children. If average per capita family income is 200 new lei to 370 new lei, 45 new lei a month is paid for one child; 90 new lei for two; 135 new lei for three; or 180 new lei for four or more children.

Parental leave (income-tested): 600 new lei a month or 75% of average earnings of the last 12 months, up to 1,200 new lei if the child is under 1 year or up to 3,400 new lei if the child is under 2 years (3 years if disabled).

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

Benefits for disabled persons: 202 new lei is paid for a severe disability; 166 new lei for a moderate disability. A supplement of 91 new lei, 68 new lei, or 33.5 new lei is paid under certain conditions.

Attendance allowance: 530 new lei is paid.
Social Assistance: 125 new lei is paid for households with one person; 225 new lei with two persons; 313 new lei with three persons; 390 new lei with four persons; 462 new lei with five persons; plus 31 new lei for each additional person in the household over five 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.