

Romania

Exchange rate: US\$1.00 = 4.15 lei.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1912.

Current laws: 2004 (mandatory individual accounts); 2010 (public pension system), implemented in 2011; and 2015 (fiscal code).

Type of program: Social insurance and mandatory individual account system.

Coverage

Social insurance: Employed persons with individual labor contracts; civil servants; military personnel; unemployment benefit recipients; self-employed persons with monthly average net income of at least 938 lei; and certain other workers.

Voluntary coverage is available.

Exclusions: Self-employed persons with monthly average net income of less than 938 lei.

Special systems for certain professions, such as lawyers and the clergy.

Mandatory individual accounts: 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 (social insurance only); 5.4% of gross earnings (social insurance and mandatory individual account).

The maximum earnings used to calculate contributions are 13,405 lei.

Mandatory individual account: 5.1% of gross earnings (including administrative fees).

The maximum earnings used to calculate contributions are 13,405 lei.

Self-employed person

Social insurance: Self-employed persons may choose to pay the individual rate (10.5% of income for social insurance only or 5.4% of income for social insurance and mandatory individual account) or the full rate (26.3% of income for

social insurance only or 21.2% of income for social insurance and mandatory individual account).

The minimum monthly income used to calculate contributions are 938 lei.

The maximum earnings used to calculate contributions are 13,405 lei.

Mandatory individual account: 5.1% of gross earnings (including administrative fees).

The maximum earnings used to calculate contributions are 13,405 lei.

Employer

Social insurance: 15.8% of gross earnings; 20.8% for arduous conditions; 25.8% for very arduous conditions.

The maximum earnings used to calculate contributions are 13,405 lei.

Mandatory individual account: None.

Government

Social insurance: Any deficit.

Mandatory individual account: None.

Qualifying Conditions

Old-age pension (social insurance and individual account)

Age 65 (men) or age 60 and three months (women, gradually rising to age 63 by 2030) with at least 15 years of contributions. The full pension is paid with at least 35 years (men) or 30 years and three months (women, gradually rising to 35 years by 2030) of contributions.

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 and very arduous work, and to certain categories of disabled persons.

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): Must have a loss of at least 50% of working capacity as the result of an accident (including work-related accidents) or disease (including occupational diseases). The insured must be assessed with a Category I (incapacity for any work and requiring constant attendance), Category II, (incapacity for any work but not requiring constant attendance), or Category III (incapacity for usual work) disability. 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): Assessed with a permanent disability and incapacity for any work.

Survivor's pension (social insurance): The deceased received or was entitled to receive a social insurance old-age or disability pension at the time of death.

Eligible survivors include a widow(er) who has reached the normal retirement age and was married to the deceased for at least 15 years at the time of death; at any age if the widow(er) is disabled and was married to the deceased for at least one year before the death, if the death is caused by a work accident or occupational disease (income tested), or has a dependent child up to age 7 (income tested); and children up to age 16 (age 26 if a student, depending on the duration of studies; no limit if disabled).

Survivor's pension (individual account): Paid if the insured dies before receiving a benefit from the individual account.

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

Old-Age Benefits

Old-age pension (social insurance): The pension is the insured's average lifetime accumulated score (based on pension points) multiplied by the pension point value at the date of retirement. The number of pension points obtained during one year is the insured's monthly gross income divided by the national monthly average gross wage.

The pension point value is 871.7 lei.

Employment may continue.

The national monthly average gross wage is 2,681 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: The pension is reduced by 0.75% for each month the pension is taken before the normal retirement age. Credited covered periods are not taken into account for pension calculation purposes.

Old-age benefits are payable abroad.

Benefit adjustment: Benefits are adjusted annually according to changes in the pension point value, which is adjusted annually to changes (100%) in the inflation rate plus 50% of the real growth in the average wage.

Old-age pension (individual account): A monthly pension 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 based on the insured's total lifetime accumulated score (based on pension points) and the value of the pension point at the time of retirement. Pension points obtained during one year are calculated using the insured's monthly gross income divided by the national monthly average wage. Additional credits may be given for foregone contributions due to a Category I or II disability.

The pension point value is 871.7 lei.

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

The disability pension (social insurance) is replaced by the old-age pension (social insurance) at the normal retirement age.

Disability benefits are payable abroad.

Benefit adjustment: Benefits are adjusted annually according to changes in the pension point value, which is adjusted annually to changes (100%) in the inflation rate plus 50% of the real growth in the average wage.

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's pension (social insurance): 50% of the old-age or disability pension the deceased received or was entitled to receive is paid for one survivor; 75% for two; or 100% for three or more. A pension is paid for six months to a low-income uninsured spouse who does not meet the eligibility requirements.

If the deceased was ineligible for the old-age pension or received a disability, early, or early partial old-age pension, the survivor pension is based on a Category I 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 according to changes in the pension point value, which is adjusted annually to changes (100%) in the inflation rate plus 50% of the real growth in the average wage.

Survivor's 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. If eligible survivors are not participants in the individual account system, the accumulated assets are paid to them as a lump sum or as a fixed-term annuity for up to five years.

Funeral grant (social insurance): A lump sum 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, Social Protection and Elderly (<http://www.mmuncii.ro>) is responsible for general supervision and policy development.

National House of Public Pensions (<http://www.cnpp.org>) administers the program.

Individual account

Financial Supervisory Authority (<http://www.asfromania.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: Legal residents of Romania.

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.

There are no maximum earnings used to calculate contributions.

Self-employed person

Cash benefits: 0.85% of taxable income.

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

The national monthly minimum gross wage is 1,250 lei (May 2016).

Medical benefits: 5.5% of earnings.

The maximum earnings used to calculate contributions are five times the national monthly average gross wage.

The national monthly average gross wage is 2,681 lei.

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

Employer

Cash benefits: 0.85% of covered payroll.

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

The national monthly minimum gross wage is 1,250 lei (May 2016).

Medical benefits: 5.2% of covered payroll.

There are no maximum earnings used to calculate contributions.

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

Government

Cash benefits: None.

Medical benefits: Provides subsidies; pays contributions for certain groups.

Qualifying Conditions

Cash sickness benefits: Must have at least one month of contributions in the last 12 calendar months before the incapacity began; no contribution requirement for emergency surgery and in cases of contagious diseases, neoplasia, or AIDS.

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:

Must have at least one month of contributions in the last 12 calendar months before the month in which medical leave began.

Cash maternity benefits: 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 (who has just returned to work following childbirth) 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). Must have at least one month of contributions in the last 12 calendar months before the month in which medical leave began.

Medical benefits: There is no minimum qualifying period.

Sickness and Maternity Benefits

Sickness benefit: 75% of the insured's average monthly earnings in the last six months before the incapacity began (100% for emergency surgery, tuberculosis, AIDS, and other contagious diseases) 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 15,000 lei (May 2016).

Illness prevention and rehabilitation for work benefit:

A monthly benefit of up to 25% of the insured's average monthly earnings in the six months before the incapacity began is paid for up to 90 days a year to replace part of the earnings lost as a result of reduced working hours. An additional 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 15,000 lei (May 2016).

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 15,000 lei (May 2016).

Maternity risk benefit: 75% of the insured's average monthly earnings in the six months before the expected date of childbirth is paid for up to 120 days.

The maximum monthly earnings used to calculate benefits are 15,000 lei (May 2016).

Child care allowance: 85% of the insured's average monthly earnings in the six months before the claim is paid for up to 45 days for each calendar year (may be extended in case of surgery, neoplasia, immobilization due to plaster casts, and certain other contagious diseases).

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

The maximum monthly earnings used to calculate benefits are 15,000 lei (May 2016).

Workers' Medical Benefits

Providers under contract with health insurance funds provide medical services directly to patients. Medical benefits include general and specialist care, outpatient care, hospitalization, medicine, appliances, rehabilitation, preventive medical care, maternity care, and transportation.

Dependents' Medical Benefits

Medical benefits for dependents are the same as those for the insured.

Administrative Organization

National Health Insurance House (<http://www.cnas.ro>) administers cash sickness and maternity benefits.

Work Injury

Regulatory Framework

First law: 1912.

Current laws: 2002 (work injury); 2006 (safety and health); 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 average monthly income (not less than the national monthly minimum gross wage).

The minimum monthly income used to calculate contributions is the national monthly minimum gross wage.

The national monthly minimum gross wage is 1,250 lei (May 2016).

Self-employed person: 1% of average monthly income (not less than the national monthly minimum gross wage).

The minimum monthly income used to calculate contributions is the national monthly minimum gross wage.

The national monthly minimum gross wage is 1,250 lei (May 2016).

Employer: 0.15% 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. Must reside in Romania.

Temporary Disability Benefits

80% of the insured's average wage in the six calendar months before the disability began (or during the entire insured period, if shorter) is paid from the first day of disability for up to 180 days a year (may be extended up to

270 days); 100% if the insured has to undergo emergency medical treatment. The benefit is paid by the employer until recovery or certification of permanent disability.

Permanent Disability Benefits

Permanent disability pension: The pension is based on the insured's total lifetime number of accumulated pension points and the value of the pension point at the time of retirement. Pension points obtained during one year are calculated using the insured's monthly average wage divided by the national monthly average wage. Additional pension points are credited for missed contributions since the disability began. Pension points accrue at varying rates according to the degree of disability.

The pension point value is 871.7 lei.

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

The permanent disability pension is replaced by the old-age pension (social insurance) at the normal retirement age.

Insured persons receiving a Category III disability pension can combine the pension with earnings from gainful employment subject to certain conditions.

Benefits are payable abroad.

Benefit adjustment: Benefits are adjusted annually according to changes in the pension point value, which is adjusted annually to changes (100%) in the inflation rate plus 50% of the real growth in the average wage.

Workers' Medical Benefits

Providers under contract with health insurance funds provide medical services directly to patients. Medical benefits include general and specialist care, outpatient care, hospitalization, medicine, appliances, rehabilitation, preventive medical care, maternity care, and transportation.

Survivor Benefits

Survivor's pension: 50% of the old-age or disability pension the deceased received or was entitled to receive is paid for one survivor; 75% for two; or 100% for three or more. A pension is paid for six months to a low-income uninsured spouse who does not meet the eligibility requirements.

If the deceased was ineligible for the old-age pension or received a disability, early, or early partial old-age pension, the survivor pension is based on a Category I 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 according to changes in the pension point value, which is adjusted

annually to changes (100%) in the inflation rate plus 50% of the real growth in the average wage.

Funeral grant: A lump sum of four times the insured's monthly average gross earnings is paid when the insured dies.

Administrative Organization

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

National House of Public Pensions (<http://www.cnpp.org>) administers the program.

Unemployment

Regulatory Framework

First law: 1991.

Current law: 2002.

Type of program: Social insurance system.

Coverage

Employed persons with individual labor contracts; and civil servants.

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

Source of Funds

Insured person: 0.5% of covered earnings.

There are no maximum monthly earnings used to calculate contributions.

Self-employed person: 1% of declared covered earnings.

The maximum monthly earnings used to calculate contributions are five times the national monthly average gross wage.

The national monthly average gross wage is 2,681 lei.

Employer: 0.5% of gross payroll.

There are no maximum earnings used to calculate contributions.

Government: Any deficit.

Qualifying Conditions

Unemployment benefits: Must be involuntarily unemployed, have at least 12 months of contributions in the last 24 months before unemployment, be aged 16 to the normal 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 insured's average gross earnings 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 at least 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 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; seven times the reference social index if relocation is necessary.

The reference social index is 500 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 Allowances

Regulatory Framework

First law: 1950.

Current laws: 1993 (State children allowances), 2001 (minimum guarantee), 2002 (HIV/AIDS benefits), 2004 (children's rights), 2006 (rights of people with disabilities), 2006 (asylum), 2010 (family support), 2010 (parental leave and child raising benefit), 2011 (social assistance), and 2011 (social protection in the cold season).

Type of program: Universal system.

Coverage

Residents of 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 to families with children younger than age 18 if average per capita family income is up to 530 lei a month.

Single-parent allowance (income tested): Paid to single parents if average per capita family income is up to 530 lei a month.

Parental leave and child raising benefit (income tested): Paid to parents who earned income from work during at least 12 months in the last two years before childbirth.

Insertion incentive: Paid to parents who return to work before the end of the parental leave period.

Care allowance for disabled children and parents: Paid to persons who care for a child aged 3 to 7 and for disabled parents raising a child.

Monthly placement allowance: Paid for each child placed in the care of a foster parent, guardian, family member, or authorized residential care facility.

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.

Guaranteed minimum income (social assistance, income tested): Paid to families and persons with income below a legally defined threshold.

Home heating allowance (social assistance, income tested): Paid to unmarried persons and households with per capita income less than a fixed amount (the amount varies according to the type of energy source).

Family Allowance Benefits

State children allowances: 200 lei a month is paid for each child up to age 2; 84 lei a month for each child aged 3 to 18 (older if a full-time student or trainee); and 200 lei a month for disabled children aged 3 to 18.

Family Income supplement (income tested): If average per capita family income is up to 200 lei, 82 lei a month is paid for one child; 164 lei for two; 246 lei for three; or 328 lei for four or more children. If average per capita family income is 201 lei to 530 lei, 75 lei a month is paid for one child; 150 lei for two; 225 lei for three; or 300 lei for four or more children.

Single-parent allowance (income tested): If average per capita family income is up to 200 lei, 107 lei a month is paid for one child; 214 lei for two; 321 lei for three; or 428 lei for four or more children. If average per capita family income is 201 lei to 530 lei, 102 lei a month is paid for one child; 204 lei for two; 306 lei for three; or 408 lei for four or more children.

Parental leave and child raising benefit: 85% of the insured's average earnings in the last 12 months is paid until the child reaches age 2 (age 3 if disabled).

The minimum benefit is 1,062.5 lei a month.

Insertion incentive: 531.25 lei a month is paid until the child reaches age 2 (age 3 if disabled).

Care allowance for disabled children and parents: 150 lei to 450 lei a month is paid.

Monthly placement allowance: 600 lei a month is paid.

Benefits for persons diagnosed with HIV/AIDS: 11 lei a day is paid for a child; 13 lei a day for an adult.

Benefits for disabled persons: 234 lei a month is paid for a severe disability; 193 lei a month for a moderate disability. A monthly supplement of 106 lei, 79 lei, or 30 lei is paid under certain conditions.

Attendance allowance: 525 lei a month is paid.

Guaranteed minimum income (social assistance, income tested): The difference between household income and the guaranteed minimum income is paid. The guaranteed minimum income varies according to the size of the household: 142 lei a month is paid for households with one person; 255 lei a month with two persons; 357 lei a month with three persons; 442 lei a month with four persons; 527 lei a month with five persons; plus 37 lei for each additional person in the household over five persons.

Home heating allowance (social assistance, income tested): Cash benefits range from 16 lei to 262 lei a month, depending on the type of energy source and household per capita income.

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

Administrative Organization

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

The National Agency for Payments and Social Inspection administers all social benefits.

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