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; unemployment benefit recipients; self-employed persons with average net monthly income of at least 1,900 lei; and certain other workers.

Voluntary coverage is available.

Exclusions: Self-employed persons with average net monthly income of less than 1,900 lei.

Special systems for certain professions, including lawyers, notaries, and the clergy; and military personnel.


Source of Funds

Insured person

Social insurance: 25% of gross earnings (social insurance only); 21.25% of gross earnings (social insurance and mandatory individual account).

The maximum monthly earnings used to calculate contributions are 20,810 lei (for unemployment benefit recipients only).

Mandatory individual account: 3.75% of gross earnings (including administrative fees).

The maximum monthly earnings used to calculate contributions are 20,810 lei (for unemployment benefit recipients only).

Self-employed person

Social insurance: 25% of covered earnings (social insurance only); 21.25% of covered earnings (social insurance and mandatory individual account).

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

The national monthly minimum gross wage is 1,900 lei.

There are no maximum earnings used to calculate contributions.

Mandatory individual account: 3.75% of gross earnings (including administrative fees).

There are no maximum earnings used to calculate contributions.

Employer

Social insurance: 4% of gross payroll for employees who work in arduous conditions; 8% for employees who work in very arduous conditions; none for other types of employees.

There are no maximum earnings used to calculate contributions.

Mandatory individual account: None.

Government

Social insurance: Finances any deficit.

Mandatory individual account: None.

Qualifying Conditions

Old-age pension (social insurance and mandatory individual account): Age 65 (men) or age 60 and nine 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 nine months (women, gradually rising to 35 years by 2030) of contributions.

Lower age requirements apply to persons employed in arduous and very arduous work, and to certain categories of disabled persons.

Contributions may be credited for periods during which social insurance benefits are received, periods of university study or military service, and certain other periods.

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.

The old-age pension is payable abroad.

Disability pension (Pensia de invaliditate, social insurance): Must have at least a 50% assessed loss 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 Group I (incapacity for any work and requiring constant attendance), Group II (incapacity for any work but not requiring constant attendance), or Group III (incapacity for usual work) disability.
For students and apprentices, only disabilities resulting from work are covered. The contribution requirements vary depending on the insured’s age when the disability began, and are waived if the disability is the result of a work accident, an occupational disease, neoplasia, schizophrenia, HIV/AIDS, or military service.

Constant-attendance supplement: Paid if the insured is assessed with a Group I disability.

The disability pension is payable abroad.

**Disability pension (mandatory individual account):**
Must be assessed with a permanent disability and incapacity for any work.

**Survivor pension (Pensia de urmas, social insurance):**
The insured 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 was 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).

The survivor pension is payable abroad under bilateral agreement.

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

**Funeral grant (Ajutorul de deces, 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 (Pensie pentru limita de varsta, social insurance):** The monthly pension is the insured’s lifetime average accumulated score (based on pension points) multiplied by the pension point value at the date of retirement.

The lifetime average accumulated score is calculated by dividing the insured’s total pension points by the years of contributions required for a full pension. Pension points are calculated by dividing the insured’s average gross monthly earnings in a year by the national average gross monthly wage for that year.

The pension point value is 1,000 lei (1,100 lei as of July 1, 2018).

The national average gross monthly wage is 4,162 lei.

Employment may continue.

Early pension: The pension is calculated in the same way as the old-age pension except that credited contributions are not taken into account.

Partial early pension: The pension is reduced for each month it is claimed before the normal retirement age, depending on the number of years of contributions: by 0.50% a month if the insured has less than one year of contributions exceeding the years of contributions required for the full pension; by 0.45% with at least one but less than two years; by 0.40% with at least two but less than three years; by 0.35% with at least three but less than four years; by 0.30% with at least four but less than five years; by 0.25% with at least five but less than six years; by 0.20% with at least six but less than seven years; and by 0.15% with at least seven but less than eight years. Credited contributions are not taken into account for pension calculation purposes.

The minimum monthly old-age pension is 520 lei (640 lei as of July 1, 2018).

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

**Old-age pension (mandatory individual account):** The account balance is paid as a lump sum. If the accumulated capital is sufficient to finance a monthly pension above a prescribed monthly minimum, a monthly pension may be paid for up to five years.

**Permanent Disability Benefits**

**Disability pension (Pensia de invaliditate, social insurance):** The pension is the insured’s lifetime average accumulated score (based on pension points) multiplied by the value of the pension point at the time the claim is made.

The lifetime average accumulated score is calculated by dividing the insured’s total pension points by the years of contributions required for a full pension. Pension points are calculated by dividing the insured’s average gross monthly earnings in a year by the national average gross monthly wage for that year. Additional credits may be given for missed contributions due to a Group I or II disability.

The pension point value is 1,000 lei (1,100 lei as of July 1, 2018).

The national average gross monthly wage is 4,162 lei.

Constant-attendance supplement: A lump sum of 80% of the pension point value is paid.

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

The minimum monthly disability pension is 520 lei (640 lei as of July 1, 2018).

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

**Disability pension (mandatory individual account):** The account balance is paid as a lump sum. If the accumulated
lifetime capital is sufficient to finance a monthly pension is above a certain monthly minimum, a monthly pension may be paid for up to five years.

**Survivor Benefits**

**Survivor pension (Pensia de urmas, social insurance):** 50% of the social insurance 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 did not qualify for the social insurance old-age pension or received a disability, early, or early partial old-age pension, the survivor pension is based on a disability pension for a Group I disability. If the survivor is entitled to receive a social insurance 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. The minimum monthly survivor pension is 520 lei (640 lei as of July 1, 2018).

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

**Survivor pension (mandatory individual account):** The value of the insured’s 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 (Ajutorul de deces, social insurance):** A lump sum of 4,162 lei is paid for the insured’s funeral; the grant is reduced by 50% for the funeral of the insured’s dependent.

**Administrative Organization**

Ministry of Labor and Social Justice (http://www.mmuncii.ro/) is responsible for general supervision and policy development for the social insurance program.

National House of Public Pensions (https://www.cnpp.ro/) administers the social insurance program.

Financial Supervisory Authority (https://asfromania.ro/) regulates and supervises private pension fund administrators.

Private pension fund administrators manage individual accounts and pay pensions.

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**Sickness and Maternity**

**Regulatory Framework**

**First law:** 1930.

**Current laws:** 2005 (benefits), 2006 (health reform), and 2015 (fiscal code).

**Type of program:** Social insurance (cash and medical benefits) and social assistance (medical benefits) system.

**Coverage**

**Social insurance (cash benefits):** Employed persons with individual labor contracts; civil servants; unemployment benefit recipients; self-employed persons; and certain other workers.

**Social insurance (medical benefits):** Employed persons.

**Social assistance (medical benefits):** Residents of Romania not covered by social insurance, including children up to age 18 (age 26 if a full-time student), persons with disabilities, unemployed persons, prisoners, and women receiving prenatal or postnatal care.

**Source of Funds**

**Insured person**

**Social insurance (cash benefits):** None.

**Social insurance (medical benefits):** 10% of monthly earnings.

There are no maximum earnings used to calculate contributions.

**Social assistance (medical benefits):** None.

**Self-employed person**

**Social insurance (cash benefits):** 1% of taxable income.

There are no maximum earnings used to calculate contributions.

The national monthly minimum gross wage is 1,900 lei.

**Social insurance (medical benefits):** 10% of earnings.

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

The national monthly minimum gross wage is 1,900 lei.

There are no maximum earnings used to calculate contributions.

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

**Social assistance (medical benefits):** None.
Employer

Social insurance (cash benefits): 2.25% of average gross monthly income.
The employer’s contribution also finances work injury and unemployment benefits.
Approximately 40% of the employer’s contribution is allocated to the Unique National Fund of Health Insurance for cash sickness benefits.

Social insurance (medical benefits): None.

Social assistance (medical benefits): None.

Government

Social insurance (cash benefits): None; contributes as an employer.

Social insurance (medical benefits): Provides subsidies.

Social assistance (medical benefits): The total cost.

Qualifying Conditions

Cash sickness benefit (Concediu medical si indemnizatie pentru incapacitate temporara de munca, social insurance): Must have at least six months of contributions in the 12 calendar months before the incapacity began; no contribution requirement for emergency surgery and in cases of contagious diseases, tuberculosis, neoplasia, or AIDS.

Cash maternity benefit (Concediu medical si indemnizatie pentru maternitate, social insurance): Must have at least six months of contributions in the 12 months before the maternity leave began.

Maternity risk benefit (Indemnizatia de risc maternal, social insurance): Paid to a pregnant worker or breastfeeding woman who is exposed to certain workplace-related risks. There is no minimum qualifying period.

Child care allowance (Concediu medical si indemnizatie pentru ingrijirea copilului bolnav, social insurance): Paid for providing care to a sick child younger than age 7 (age 16 if seriously ill; age 18 if disabled). Must have at least six months of contributions in the 12 calendar months before the month in which the medical leave began.

Medical benefits (social insurance and social assistance): There is no minimum qualifying period.

Sickness and Maternity Benefits

Sickness benefit (Concediu medical si indemnizatie pentru incapacitate temporara de munca, social insurance): 75% of the insured’s average gross monthly earnings in the last six months (100% for emergency surgery, tuberculosis, neoplasia, AIDS, and other contagious diseases) is paid after a five-day waiting period for up to 183 days a year for each illness; may be extended in some cases. (The employer pays benefits for the first five days.)
The maximum monthly earnings used to calculate benefits are 12 times the national monthly minimum gross wage.
The national monthly minimum gross wage is 1,900 lei.

Maternity benefit (Concediu medical si indemnizatie pentru maternitate, social insurance): 85% of the insured’s average gross 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 monthly minimum gross wage.
The national monthly minimum gross wage is 1,900 lei.

Maternity risk benefit (Indemnizatia de risc maternal, social insurance): 75% of the insured’s average gross 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 12 times the national monthly minimum gross wage.
The national monthly minimum gross wage is 1,900 lei.

Child care allowance (Concediu medical si indemnizatie pentru ingrijirea copilului bolnav, social insurance): 85% of the insured’s average gross monthly earnings in the six months before the claim is made 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).
The maximum monthly earnings used to calculate benefits are 12 times the national monthly minimum gross wage.
The national monthly minimum gross wage is 1,900 lei.

Workers’ Medical Benefits

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

Social assistance: Medical benefits include a minimum package of health care services, including emergency care, maternity care, and family planning.

Dependents’ Medical Benefits

Dependents are entitled to the social assistance medical benefits for insured workers.

Administrative Organization

National Health Insurance House (http://www.cnas.ro/) administers cash sickness, maternity, and medical 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
Certain residents of Romania, including 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.
Self-employed person: A contribution is paid.
The minimum monthly income used to calculate contributions is the national monthly minimum gross wage.
The national monthly minimum gross wage is 1,900 lei.
For work injury medical benefits see, source of funds under Sickness and Maternity.
Employer: See source of funds under Sickness and Maternity.
Government: See source of funds under Sickness and Maternity.

Qualifying Conditions
Temporary and permanent disability benefits (social insurance): Must be assessed with a work injury or occupational disease. There is no minimum qualifying period.
Illness prevention and rehabilitation for work benefit (social insurance): Must have at least six months of contributions in the 12 calendar months before the month in which medical leave began.

Temporary Disability Benefits
Temporary disability benefit (Indemnizatie pentru incapacitate temporara de munca): 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 183 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.
Illness prevention and rehabilitation for work benefit (social insurance): A monthly benefit of up to 25% of the insured’s average monthly gross earnings in the six months before the incapacity began is paid for up to 90 days a year.
An additional benefit of 75% of the insured’s average gross monthly earnings in the six months before the incapacity began is paid to persons who are in quarantine.
The maximum monthly earnings used to calculate benefits are 12 times the national monthly minimum gross wage.
The national monthly minimum gross wage is 1,900 lei.

Permanent Disability Benefits
Permanent disability pension (Pensia de invaliditate): See Old Age, Disability, and Survivors.

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, glasses, hearing aids, rehabilitation, preventive medical care, maternity care, and transportation.

Survivor Benefits
Survivor pensions are paid under Old Age, Disability, and Survivors.
Funeral grant (Ajutor de deces): A lump sum of four times the insured’s monthly average gross earnings is paid when the insured dies.

Administrative Organization
Ministry of Labor and Social Justice (http://www.mmuncii.ro/) is responsible for general supervision and policy development.
National House of Public Pensions (https://www.cnpp.ro/) administers the program.

Unemployment

Regulatory Framework
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 persons.
**Source of Funds**

**Insured person:** None.

**Self-employed person:** 0.45% of covered declared earnings.

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

The national average gross monthly wage is 4,162 lei.

**Employer:** See source of funds under Sickness and Maternity.

**Government:** Finances any deficit; contributes as an employer.

**Qualifying Conditions**

**Unemployment benefits (income tested):** Must be involuntarily unemployed, have at least 12 months of contributions in the 24 months before unemployment, be aged 16 to the normal retirement age, 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.

Income test: Monthly income must be below the monthly reference social index.

The monthly reference social index is 500 lei.

**Unemployment Benefits**

**Unemployment benefit (income tested):** 75% of the monthly reference social index plus 3% to 10% of the insured’s average gross monthly earnings in the last 12 months is paid for six months if the insured has at least one year of contributions; nine months with at least five and up to 10 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.

The monthly reference social index is 500 lei.

An unemployed person who resumes full-time employment before the awarded benefit period ends receives 30% of the benefit during the remaining period.

Additional benefits may be paid if the new workplace is more than 50 kilometers from the insured’s home or if relocation is necessary.

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 (http://www.anofm.ro/) 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 and social assistance system.

**Coverage**

Residents of Romania.

**Source of Funds**

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost.

**Qualifying Conditions**

**Child allowance (Alocatie de stat pentru copii, universal):** Paid for children younger than age 18 (older if a full-time student or trainee).

**Family income supplement (Alocatie pentru sustinerea familiei, social assistance, income tested):** Paid to families with children younger than age 18.

Income test: Average monthly per capita family net income must not exceed 530 lei.

**Single-parent allowance (social assistance, income tested):** Paid to single parents.

Income test: Average monthly per capita family net income must not exceed 530 lei.

**Parental leave benefit (Concediu si indemnizatie pentru cresterea copilului):** Paid to a parent caring for a child younger than age 2 (age 3 if disabled). The parent must have earned income from work or have received social security benefits for at least 12 months in the two years before childbirth.

**Insertion incentive (Stimulent de insertie):** Paid to parents receiving the parental leave benefit for returning to work before the end of the parental leave period.
Care allowance for disabled children and parents (universal): Paid to persons who care for a child aged 3 to 7 and for parents with disabilities raising a child.

Monthly placement allowance (Alocatia de plasament, universal): 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 (Alocatiilor de hrana pentru bolnavii HIV/SIDA, universal): Paid to persons diagnosed with HIV/AIDS.

Benefits for disabled persons (universal): Paid to persons with disabilities, depending on the degree of disability.

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

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

Means test: The means test is based on family income and property.

Home heating allowance (Ajutor pentru energia termica, social assistance, income tested): Paid to single persons and households with per capita income less than a fixed amount (the amount varies depending on the type of energy source).

Family Allowance Benefits

Child allowance (Alocatie de stat pentru copii, universal): 200 lei a month is paid for each eligible 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 each disabled child aged 3 to 18.

Family income supplement (Alocatie pentru sustinerea familiei, social assistance, income tested): If average monthly per capita family net 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 monthly per capita family income is 201 lei to 530 lei, 75 lei a month is paid for one child; 150 lei a month for two; 225 lei a month for three; or 300 lei a month for four or more children.

Single-parent allowance (social assistance, income tested): If average monthly per capita family net income is up to 200 lei, 107 lei a month is paid for one child; 116 lei a month for two; 246 lei a month for three; or 328 lei a month for four or more children. If average monthly per capita family net income is 201 lei to 530 lei, 102 lei a month is paid for one child; 204 lei a month for two; 306 lei a month for three; or 408 lei a month for four or more children.

Parental leave benefit (Concediu si indemnizatie pentru cresterea copilului): 85% of the insured’s average net income in the last 12 months is paid for each eligible child. The minimum monthly benefit is 1,250 lei. The maximum monthly benefit is 8,500 lei.

Insertion incentive (Stimulent de insertie): 650 lei a month is paid until the child reaches age 2 (age 3 if disabled); may be extended for up to one additional year if the insured returns to work at least 60 days before the end of the parental leave period.

Care allowance for disabled children and parents (universal): 188 lei to 1,250 lei a month is paid.

Monthly placement allowance (Alocatia de plasament, universal): 600 lei a month is paid.

Benefits for persons diagnosed with HIV/AIDS (Alocatiilor de hrana pentru bolnavii HIV/SIDA, universal): 15 lei a day is paid for an eligible child; 16 lei a day for an adult.

Benefits for disabled persons (universal): 325 lei a month is paid for a severe disability; 250 lei a month for a moderate disability. A monthly supplement of 125 lei, 100 lei, or 50 lei is paid under certain conditions.

Attendance allowance (universal): 1,160 lei a month is paid.

Guaranteed minimum income (Nivelul venitului minim garantat, social assistance, means tested): The difference between household income and the guaranteed minimum income is paid. The guaranteed minimum income varies depending on the size of the household: 142 lei a month 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 above five persons.

Home heating allowance (Ajutor pentru energia termica, 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 and Social Justice (http://www.mmuncii.ro/) is responsible for general supervision and policy development.

The National Agency for Payments and Social Inspection (http://www.mmanpis.ro/) administers all social benefits. Local offices, local councils, and other institutions pay the benefits.