

## Romania

Exchange rate: U.S.\$1.00 equals 31,740 lei.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1912.

**Current law:** 2000.

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

#### Coverage

Employed persons with individual labor contracts; public officials; nominated officials within the executive, legislative, and judicial authorities; craft cooperative members; persons receiving unemployment benefits; and workers or farmers earning at least the equivalent of three times the minimum wage.

Voluntary coverage for persons wishing additional coverage for the noninsured part of their income (insured income is limited to three times the minimum wage) or for those not covered by a mandatory scheme.

Special systems for lawyers and other professional categories, including military personnel and the clergy.

#### Source of Funds

**Insured person:** All the insured pay one-third of the contribution rate that applies to legally defined normal working conditions (35%).

**Employer:** Employers pay the remainder of the applied contribution rate after deducting the insured person's contribution. The applied contribution rate for employers varies depending on working conditions: 35% for normal conditions, 40% for arduous conditions, and 45% for very arduous conditions.

The employer contributions also finance cash sickness, maternity, work injury, and occupational disease benefits.

**Government:** Any deficit.

Maximum earnings for contribution and benefit purposes is limited to three times the minimum wage.

#### Qualifying Conditions

**Old-age pension:** Age 65 (men) or age 60 (women). At least 15 years of contributions (or deemed contributions).

There are lower age requirements for those engaged in arduous or dangerous work, handicapped persons, the visually impaired, and persons who were imprisoned because of their political beliefs.

Early retirement from age 55 for persons whose contribution record exceeds the full career contribution record (35 years for

men or 30 years for women) by at least 10 years. Partial early retirement from age 55 if the full career contribution record is exceeded by less than 10 years.

**Disability pension:** In addition to insured persons, a pension may be received by school pupils, apprentices, students, military conscripts, and the victims of revolutionary events. Persons suffering a loss of at least 50% in work capacity due to accidents (including work accidents), diseases (including occupational diseases), or revolutionary events. For school pupils, apprentices, and students, only those disabilities resulting from work are covered. For the victims of revolutionary events, coverage is extended only to those with a previous record of contributions. Prior contribution conditions vary according to the age at which disability occurred. No prior contribution conditions apply if the incapacity is caused by a work accident, an occupational disease, or tuberculosis.

**Survivor pension:** Insured met pension requirements or was a pensioner at the time of death.

Eligible survivors: Widows who fulfill certain conditions relating to age and the duration of marriage or are disabled; children aged 16 or under (up to age 26 if student, depending on the duration of studies). No prior condition is required if the death of the insured was caused by a work accident, occupational disease, or tuberculosis. A limited benefit entitlement is paid for 6 months to a low-income uninsured spouse raising a child under 7 years old who does not meet requirements for age and duration of marriage.

#### Old-Age Benefits

**Old-age pension:** The benefit is calculated as the lifetime accumulated number of points multiplied by the point value in force at the moment of retirement (fixed by the annual budget law). The number of points obtained during 1 year is equal to the average insured monthly salary divided by the monthly mean minimum wage. The obtained lifetime number of points cannot exceed the total number of points corresponding to a full career equal to 35 years (men) or 30 years (women). An early retirement pension is possible.

Partial early retirement pension: Deemed contribution periods are not considered, and the pension amount is proportionately reduced.

Benefit adjustment: Adjusted according to inflation.

#### Permanent Disability Benefits

**Disability pension:** 40% to 75% of the presumptive entitlement to an old-age pension (calculated as the lifetime accumulated number of points multiplied by the point value in force at the moment of retirement; see old-age pension, above), according to three degrees of disability.

Constant-attendance supplement: A fixed lump sum in cases of first-degree incapacity.

Benefit adjustment: Adjusted according to inflation.

## Survivor Benefits

**Survivor pension:** One survivor is entitled to an award of 50% of the old-age pension paid or payable to the insured or, if the deceased was ineligible for the old-age pension, 50% of the first-degree disability pension; two survivors, 75% of insured's pension; three or more survivors, 100% of insured's pension; full orphans, sum of survivor pension for each parent.

Benefit adjustment: Adjusted according to inflation.

**Funeral grant:** Awarded on the death of the insured or insured's dependent. For the death of a dependent, the grant is reduced by 50%.

## Administrative Organization

Ministry of Labor and Social Solidarity is responsible for general supervision and for policy development.

National Pension and Social Insurance Fund with regional pension funds administers the program.

## Sickness and Maternity

### Regulatory Framework

**First law:** 1912.

**Current laws:** 2000.

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

### Coverage

**Cash benefits:** Employed persons with individual labor contracts; public officials; nominated officials within the executive, legislative, and judicial authorities; craft cooperative members; persons receiving unemployment benefits; and, under certain conditions, workers or farmers earning at least the equivalent of three times the minimum wage.

Voluntary coverage is permitted for persons who want additional coverage for the noninsured part of their income (the insured income is up to the limit of three times the minimum wage) or for those not covered by a mandatory scheme.

Special systems for lawyers and other professional categories, including military personnel and the clergy.

**Medical care:** All residents, including permanent foreign nationals.

Voluntary coverage is permitted for temporary residents and for diplomatic staff.

### Source of Funds

#### Insured person

**Cash benefits:** None

**Medical benefits:** 7% of income.

#### Employer

**Cash benefits:** A portion of the adjusted 35%, 40%, or 45%

payroll contribution paid under Old Age, Disability, and Survivors (see above). Under certain conditions, the employer pays sickness benefit directly to the employee when the period of absence from work due to sickness is less than 90 days.

**Medical benefits:** 7% of payroll.

**Government:** Subsidies for medical care.

### Qualifying Conditions

**Cash benefits:** Six months of contributions during the 12 months preceding the onset of sickness, 12 months of contributions during the last 24 months for insured persons working under fixed-term work contracts, or with declared income at least equal to the ceiling for insurable income; no prior conditions in cases of emergency surgery or on being diagnosed with tuberculosis, certain contagious diseases, an occupational disease, or on having been injured at work.

**Medical benefits:** No minimum qualifying period.

### Sickness and Maternity Benefits

**Sickness cash benefit:** 75% of the mean salary during the 6 months preceding the onset of sickness (100% for some low-income groups) payable up to a maximum of 180 days a year (may be extended in some cases). If the medical condition continues beyond 180 days, the award can be converted to disability benefit.

Benefit adjustment: Benefits paid out for more than 90 days are adjusted according to inflation.

**Illness prevention and rehabilitation for work benefit:** A two-part benefit including temporary rehabilitation through a placement in an alternative place of work and a cash benefit to replace a part of lost earnings resulting from a reduction in working hours. The value of each benefit component must not exceed 25% of the basis salary (mean salary during the 6 months preceding the onset of sickness). Benefits are payable for a maximum period of 90 days a year. A benefit equivalent to 75% of the basis salary is awarded to persons in quarantine.

**Maternity cash benefit:** 85% of the basis salary (mean salary during the 6 months preceding entitlement). The benefit is payable for 126 days covering the period before and after childbirth.

**Parental leave:** 85% of the basis salary (mean salary during the 6 months preceding the claim) and payable until the child is 2 years old (age 3 if child is disabled).

**Sick-child care allowance:** 85% of the basis salary (mean salary during the 6 months preceding the claim). The benefit is payable for a maximum of 14 days a year (may be extended for certain difficult cases) for a child under age 8 (age 18 if disabled).

### Workers' Medical Benefits

Medical services are provided directly to patients by local health insurance funds. Medical benefits include general and

specialist care, hospitalization, medicines, appliances, maternity care, transport, and other services.

### **Dependents' Medical Benefits**

Medical services are provided directly to patients by local health insurance funds. Medical benefits include general and specialist care, hospitalization, medicines, appliances, maternity care, transport, and other services.

### **Administrative Organization**

Cash benefits: Ministry of Labor and Social Solidarity is responsible for general supervision and policy development. National Pension and Social Insurance Fund with regional pension funds administers the program.

Medical services: National Health Insurance Fund provides general supervision. Local health insurance funds administer the program.

### **Work Injury**

#### **Regulatory Framework**

**First law:** 1912.

**Current laws:** 2000.

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

#### **Coverage**

Employed persons, school pupils, apprentices, students undergoing occupational training, and military conscripts.

#### **Source of Funds**

**Insured person:** None.

**Employer:** A portion of the adjusted 35%, 40%, or 45% payroll contribution paid under Old Age, Disability, and Survivors (see above). Under certain conditions, the employer pays sickness benefit directly to the employee when the period of absence from work due to sickness is less than 90 days. Employers also contribute to medical care costs (see Sickness and Maternity, above).

**Government:** Any deficit.

#### **Qualifying Conditions**

**Work injury benefits:** No minimum qualifying period or contribution conditions. Must have at least 50% loss of work capacity due to a work accident or an occupational disease.

#### **Temporary Disability Benefits**

100% of the basis salary (75% of the mean salary during the 6 months preceding the disability) payable from the first day of incapacity. Benefit is payable by the employer until recovery or certification of permanent disability.

### **Permanent Disability Benefits**

**Permanent disability pension:** 40% to 75% of the presumptive entitlement to an old-age pension (calculated as the lifetime accumulated number of points multiplied by the point value in force at the moment of retirement; see old-age pension, above), according to three degrees of disability.

**Constant-attendance supplement:** A fixed lump sum in cases of first-degree incapacity.

**Benefit adjustment:** Adjusted according to inflation.

**Medical benefits:** Medical services are provided directly to patients by local health insurance funds. Medical benefits include general and specialist care, hospitalization, medicines, appliances, maternity care, transport, and other services.

### **Survivor Benefits**

**Survivor pension:** One survivor is entitled to an award of 50% of the old-age pension paid or payable to the insured or, if the deceased was ineligible for the old-age pension, 50% of the first-degree disability pension; two survivors, 75% of insured's pension; three or more survivors, 100% of insured's pension; full orphans, sum of survivor pension for each parent.

**Benefit adjustment:** Adjusted according to inflation.

**Funeral grant:** Awarded on the death of the insured or insured's dependent. For the death of a dependent, the grant is reduced by 50%.

### **Administrative Organization**

Ministry of Labor and Social Protection provides general supervision.

County Directorates of Labor and Social Protection administer the program.

Temporary disability benefits are paid directly by enterprises.

### **Unemployment**

#### **Regulatory Framework**

**First law:** 1991.

**Current law:** 1991 and 1997.

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

#### **Coverage**

**Unemployment benefit:** Persons whose individual labor contracts have expired or who have lost membership in a craft cooperative; job seekers over age 18; newly discharged military personnel; or persons newly graduated from school or university who cannot find suitable employment

**Professional insertion allowance:** Young adults, aged 18 or older, who have no independent income and have not found employment in the 60 days following the completion of their studies (30 days following the completion of military service).

Youths aged 16 to 17 without financial support who have finished full-time education. Disabled persons without employment and receiving specialized training.

### Source of Funds

**Insured person:** Employees pay 1% of gross earnings. The self-employed pay 5% of declared income.

**Employer:** 5% of payroll.

**Government:** Any deficit.

### Qualifying Conditions

**Unemployment benefit:** Six months of contributions in the last 12 months (12 months of contributions in the last 24 months for certain categories). Registered at the local Labor Office.

### Unemployment Benefits

**Unemployment benefit:** 50% of average earnings over the last 3 months with up to 5 years of contributions; 55% with more than 5 years of contributions. Payable for up to 270 days. Minimum benefit is 23% of the minimum wage if less than 5 years of contributions or 25% if more than 5 years of contributions.

**Maintenance allowance:** Unemployment benefit is paid for 270 days. Thereafter, an unemployment maintenance allowance is paid for up to 18 months at 60% of the minimum wage.

**Professional insertion allowance:** An allowance of 18% of the minimum wage is paid to first-time job seekers after leaving secondary school (20% for university graduates).

### Administrative Organization

National Office of Employment and Vocational Training provides general supervision.

Local offices administer the program.

### Family Allowances

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#### Regulatory Framework

**First law:** 1944.

**Current laws:** 1993, 1995, 1997, and 1998.

**Type of program:** Universal system.

#### Coverage

All resident children.

#### Source of Funds

**Insured person:** None.

**Employer:** None.

**Government:** Total cost.

### Qualifying Conditions

**Family allowances:** Child must be under age 16 (age 18 if disabled or in full-time education or professional training).

**Supplementary allowance for families with more than one child:** Paid as a supplement to family allowance to households with more than one child.

**Social allowance:** Paid to single-person or low-income households.

**Birth grant:** Paid to women after the birth of a second and subsequent children.

**Support allowance for the protection of minors through family placement:** Paid to a family or an institution responsible for the upbringing of a minor placed in their charge.

**Supplementary allowance for the wives of military conscripts:** Paid for the spouse of low-income military conscripts in cases in which the spouse is disabled or has entered the fourth month of pregnancy.

### Family Allowance Benefits

**Family allowances:** 130,000 lei a month for each child.

**Supplementary allowance for families with more than one child:** 50,000 lei a month for families with two children; 100,000 lei a month for three children; 125,000 lei a month for four or more children.

**Social allowance:** Paid at between 166,500 lei and 625,300 lei a month according to family size. Families with more than five persons receive a supplement of 92,700 lei for each additional member.

**Birth grant:** 387,317 lei.

**Support allowance for protection of minors through family placement:** 347,906 lei a month.

**Supplementary allowance for wives of military conscripts:** 48,836 lei a month.

### Administrative Organization

Ministry of Labor and Social Protection provides general supervision.

Local offices of labor and social protection, local councils, and other institutions administer the benefits.