

THE OECD TAX-BENEFIT MODEL FOR ROMANIA

Description of policy rules for 2020



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Preface

This report provides a detailed description of the tax and benefit rules in Romania as they apply to individuals of working age and their dependent children. It also includes outputs from the [OECD Tax-Benefit model \(TaxBEN\)](#), which puts all these complex rules into a unified methodological framework that enables international comparisons of how tax liabilities and benefit entitlements affect the disposable income of families in different labour-market circumstances.

TaxBEN calculates tax liabilities and benefit entitlements for a broad set of *stylised* families (“vignettes”), e.g. a married couple of 40 years old adults with two children aged 4 and 6. Users can access the model through a user-friendly [web interface](#) that allows changing many of these family and individual characteristics. Available options include the age and number of children, the economic activity of adult members, working hours, wage rates, unemployment durations, and years of social security contributions. The OECD has updated the model annually since 2001 for most OECD and EU countries.

TaxBEN’s policy scope includes the main taxes on employment income (earnings), social contributions paid by individuals and by employers, as well as the main cash and near-cash benefit programmes, including unemployment benefits, family benefits, guaranteed minimum-income benefits, cash housing benefits, and employment-conditional benefits. Disability benefits as well as maternity and parental leaves benefits are included for a sub-set of countries and years. The most important policy areas that are outside the scope of the model include taxes on wealth (e.g. taxes on immovable and unmovable properties, including local taxes), indirect taxes (e.g. VAT), early-retirement benefits, sickness benefits and in-kind transfers (e.g. free school meals, subsidised transport and free health care).

This report describes the policy rules that are relevant for family, individual and labour market circumstances that are within the scope of the TaxBEN model. The **Annex** provides information on other cash benefits and taxes on employment incomes that can be relevant for some members of the working-age population but are not included in the model.

Reading notes and further details on the scope and content of this report

- The **reference date** for policy rules described in this report is **January 1, 2020**.
- **Guidelines for completing and updating this report** are provided [here](#).
- Further information on the model, model results, and references to reports and analytical uses is available on the [project website](#). A [methodology](#) document provides a full description of the assumptions underlying the model as well as the model choices that users can make. The symbol  in the text provides a link to a glossary of technical terms.
- Section titles provide the names of taxes and benefits as they are known in the country: first, direct translation into English, then (in brackets) the name in the national language.
- In order to facilitate transparency between the policy descriptions and the associated code in the model, the variable names are indicated in the text in square brackets using the following format: **[variable name]**, for instance: **[AW]** for the average wage.
- Text coloured in blue describes COVID-19 related measures that Romania implemented after the reference policy date (1st of January 2020). These policies are *not* part of the TaxBEN model for 2020.

The OECD tax-benefit model for Romania: Policy rules in 2020

1. Reference wages

Average wage [**AW**]: The average full-time annual gross wages used in the OECD tax-benefit model (TaxBEN) are available [here](#).¹ To date, the reference wage used in the TaxBEN model for Romania 2020 is LEI 65148. This value is from the 2020 State Budget Law. *Provisional* estimates of the average wage for the current policy year (T=2020) are released in February T+1. *Final* estimates are released in September T+1.² The final estimate for the previous policy year (2019) is LEI 54384.

The annual minimum gross guaranteed wage³ [**MIN**] as of January 1st 2020 is:

- LEI 26760 for employees with secondary education;
- LEI 28200 for employees with higher education. This amount applies to those working for at least one year in a position that requires a higher education degree in the respective field;
- 36000 LEI for employees working in the construction sector (Section F of NACE Rev.2). This is the value used in the OECD tax-benefit model.

2. Unemployment benefits

2.1. Unemployment Indemnity (*Indemnizatia de somaj*)

Variable names: [**UI_p**; **UI_s**]

The Unemployment Indemnity is an unemployment insurance benefit. It is contributory, not means-tested and not taxable. 

The rights on “Unemployment insurance” are guaranteed and stipulated by the Law no.76/2002 on the Unemployment insurance system and stimulation of employment, with subsequent amendments. The legal institution related to the subject is the National Agency for Employment.

2.1.1. Eligibility conditions

Contribution/employment history: The unemployed should have a minimum period of contribution of 12 months in the last 24 months previous to date of registration.

¹ Average Wages are calculated in line with the methodology developed by the [Centre for Tax Policy and Administration](#). For more information on methodology, see the latest [Taxing Wages publication](#).

² The *provisional* estimate of the average wage is calculated from the Monthly Survey on Wages and Salaries (enterprises with 4+ employees). *Final* Average Wage estimates are calculated from the Labour Cost Survey (all class sizes).

³ For more details, please see [here](#).

Behavioural requirements and related eligibility conditions:  TaxBEN assumes that the following conditions are satisfied when calculating unemployment benefit entitlements:⁴

1. The person is registered at one of the territorial National Agencies for Employment of the jurisdiction they reside.
2. Appears on a monthly basis, on a scheduling basis or whenever requested, at the employment agency to which is registered, in order to receive services and support for finding a suitable job;
3. Communicates within 3 days to the employment agency any changes in the conditions that led to granting of the unemployment benefits;
4. Participates in the employment and vocational training services provided by the employment agency;
5. Actively seeks a job;
6. Notifies in writing the employment agency of the occurrence of the temporary incapacity to work and the personal identification data, respectively the name of the prescribing physician and the unit in which it operates, within 24 hours from the date of granting the medical leave. If the temporary incapacity to work occurred on non-working days or if the 24 hour term is fulfilled on non-working days, the person receiving unemployment benefit has the obligation to notify the employment agency at which are registered on the first business day.

Unemployment benefit recipients must fulfill also the following conditions (TaxBEN assumes that they are always met):⁵

1. The labour contract /agreement ceased due to reasons not attributable to them; they have at least 16 years old, do not have the standard retirement age and do not fulfill the conditions for retirement;
2. They signed an unemployment insurance contract; do not have a job and have no income, or make an income from authorized activities that is lower than the value of the Reference Social Indicator (RSI). The value of this indicator for 2020 is LEI 500;
3. Their physical and mental capabilities make them suitable for performing a work.

2.1.2. *Benefit amount*

Calculation base: Basic amount plus rate applied to previous earnings.

Benefit amount: For the entitled persons according to Article 16 correlated with Article 5 point IV letter c) Law no.76/2002, with subsequent amendments, the amount of unemployment benefits is paid on a monthly basis differently as following (Article 39 paragraph (2) of the Law no.76/2002):

1. 75% from the value of RSI for the persons that contributed at least 1 year;

⁴ Details on behavioural requirements and sanction provisions for unemployment benefits are available in regularly updated [companion OECD reports](#).

⁵ Law no.76/2002 with subsequent amendments includes, among the others, the following conditions: non-Romanian jobseekers have obtained the refugee status or another form of international protection; are foreign citizens or stateless persons who have been employed or have earned income in Romania, or have the right to work on Romanian territory. Jobseekers could not find/obtain a job after repatriation or release from detention.

2. in addition to the above sum, a certain amount is provided based on the calculation of the average gross basic salary earned during the last 12 months of contributions, multiplied with the percentage determined by the duration of periods of contribution:
 - a 3% for the persons that contributed at least 3 years;
 - b 5% for the persons that contributed at least 5 years;
 - c 7% for the persons that contributed at least 10 years;
 - d 10% for the persons that contributed at least 20 years.

The estimated **annual average gross basic salary** is about 0.85% from the average annual gross earnings **[AW]** .

2.1.3. *Benefit duration*

The recipients, whose working contracts ceased due to reasons not attributable to them, are entitled to unemployment benefits for a period between 6 and 12 months, in accordance with different periods of contributions:

1. 6 months for the persons that contributed at least 1 year;
2. 9 months for the persons that contributed at least 5 years;
3. 12 months for the persons that contributed at least 10 years (Article 39 paragraph (1) Law no.76/2002).

The unemployment benefits are also provided to graduates of educational institutions for a period of 6 months and in a fixed monthly amount equal to 50% of the RSI.

2.1.4. *Means test*

The Unemployment benefit is not means-tested.

2.1.5. *Tax treatment*

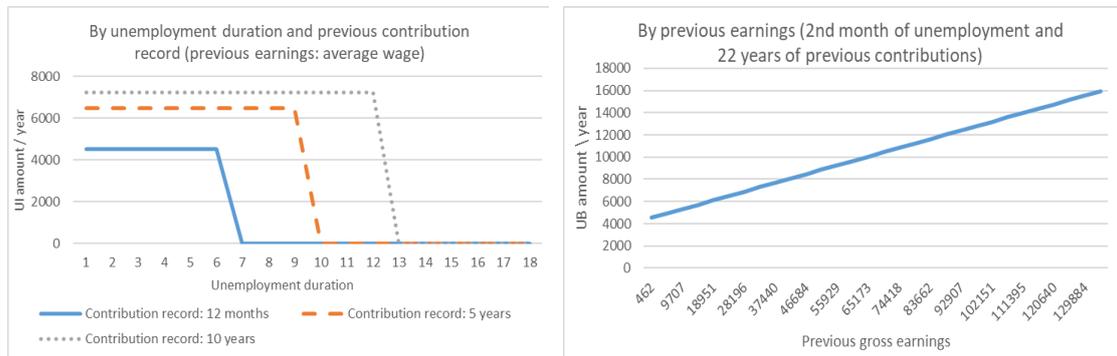
The benefit is not taxable. Re-routed social contributions⁶

2.1.6. *Interactions with other components of the tax-benefit system*

2.1.7. *Combining benefit receipt and employment/starting a new job*

When taking up work, 30% of the benefit is paid for the rest of the entitlement period (Art 72, paragraph 1).

⁶ No social security contributions are paid by the unemployed persons. The corresponding amounts for social security and health insurance are paid from the governmental **consolidated Unemployment Budget** through out the National and Territorial Agencies for Employment in behalf of the unemployed persons (transfers between social protection schemes).

Figure 1. Unemployment insurance by month of receipt and previous earnings

Note: Results for single person of 40 years old without children.
Source: OECD tax-benefit model, 2020.

2.2. Unemployment assistance

The main purpose of Unemployment Assistance (UA) is to encourage financially the labour market reintegration of jobseekers who have exhausted or are not eligible for the standard unemployment insurance programme (Section 2.1). As a result, eligibility requirements for UA programmes often include conditions on previous work history and/or exhaustion of previous unemployment insurance entitlements, as well as ability and readiness to work and participation in active labour market programmes. UA benefits are often non-contributory and means-tested, that is, receipt is conditional on the family's income and assets being below a certain level.

According to the definition above, Romania does not currently operate a national UA programme. Instead, financial assistance to jobseekers who have exhausted or are not eligible to the standard unemployment insurance programme is provided to through the social assistance programme described in Section 3.

3. Social assistance and housing benefits

3.1. *Guaranteed minimum income (Schema privind venitul minim garantat: ajutorul social pentru asigurarea venitului minim garantat)*

Variable name: **[SA]**

This is a non-contributory benefit, means-tested and not taxable.

Families and lone persons with low incomes are entitled to a guaranteed minimum income (Law no. 416/2001 regarding the guaranteed minimum income with subsequent amendments)

3.1.1. *Eligibility conditions*

The guaranteed minimum income is given on a monthly basis and represents a social support benefit to guarantee a certain standard of living if no other means of income can be obtained. It is a means-tested benefit for families having incomes under a certain level.

Family constitutes:

1. the couple (husband and wife) or husband/wife and their single children living together and managing the house in common (Article 2 paragraph (1) Law no. 416/2001⁷);
2. the single person living with children in care (i.e. single, widow, divorced, his/her spouse is declared missing by a court of law, or has not reached the age of 18 and is found in one of the situations mentioned above- Article 2 paragraph (2) Law no. 416/2001)
3. siblings without children living together and managing the house in common (not residing with their parents - Article 2 paragraph (3) Law no. 416/2001)
4. unmarried man and women with their own children or with each own children living together and managing the house in common (Article 2 paragraph (4) Law no. 416/2001)
5. the concept “children” is translated as derived from the couple marriage, from one spouse, adopted, given in care to a family or to a lone person as a children tutor or curator (Article 2 paragraph (5) Law no. 416/2001.
6. the concept “lone person” is translated as at least 18 years old who lives and manages the house alone (Article 2 paragraph (6) Law no. 416/2001);

There are also beneficiaries:

1. families or lone persons, citizens of other states or stateless persons who reside or have the domicile in Romania, according to the Romanian law;
2. in fact separated couple, if the social investigation certify the situation and justify the grant of the benefit;
3. persons without a domicile or residence and homeless, found in need, based on the own declaration that they didn't request the social aid from others city halls.

In exchange for the social assistance payments, one or more of the family members / lone person who are capable of work must perform a certain number of socially useful working hours (administrated by the municipality). An exception to this rule is for families / lone persons for which the social aid calculated is up to LEI 50 / month. For them, the working hours are set every three months and undertaken in the first month of payment.

The working hours shall be calculated in proportion to the amount of social aid that the family or lone person benefits, with an hourly rate corresponding to the minimum gross base salary guaranteed in payment, reported to the monthly average duration of working time. The number of working days, limited to a monthly norm of 21.25, is determined by dividing the calculated working hours to 8 hours / day. The fractions are round in plus. The working hours are allocated to each member of family entitled to the social aid who is able to work.

The obligation to perform the actions or local interest works mentioned above can be transferred to other persons in the family, with the consent of the municipality, if the person nominated to carry out the actions or local interest works is in temporary incapacity for work or have lost totally or partially his/her capacity to work.

[Measures related to the COVID-19 outbreak:](#)

[During the state of emergency which was declared on national level on 16 March 2020, by the President of Romania \(Decree no. 195/2020 on the establishment of the emergency](#)

⁷ in force from January 1st 2002 until March 31st 2021 when will be repealed by Law 196/2016 on minimum inclusion income

situation on the territory of Romania, with a duration of 30 days, which was extended with another 30 days on 15 April, by the Decree no. 240/14.04.2020), the conduct of the social survey for these rights was suspended. Also, the obligation to carry out actions and works of local interest was suspended, for the amounts granted as social aid, according to Law no. 416/2001 regarding the minimum guaranteed income.

Also, the beneficiaries did not have to prove that they were looking for a job and that they have not refused a job or participated in vocational training, qualification/retraining, etc., or involvement in seasonal activities. These measures have been applicable until 15 May 2020.

Introducing the possibility for online submission of applications for social benefits: the possibility for beneficiaries to use electronic e-mail as the main communication means with the social assistance-related authorities and to submit in this way the application and necessary documents for obtaining social benefits to all the local agencies, local public administration institutions or unemployment agencies. To date, these measures are still in place.

3.1.2. *Benefit amount*

The monthly level of the guaranteed minimum income is different depending on the number of individuals (Article 4 Law no. 416/2001).

The monthly levels of the guaranteed minimum income are as follows:

Family composition type	Guaranteed minimum income (Lei)
Single (0.283*500 lei)	142
2 persons (0.510*500 lei)	255
3 persons (0.714*500 lei)	357
4 persons (0.884*500 lei)	442
5 persons (1.054*500 lei)	527
More than 5 persons (0.073*500 lei)	527 + 37 for each person above 5

The amount of social assistance is established as a difference between the above mentioned sums and the monthly net income of a family/lone person.

The amounts above are increased by 15% if there is at least one working adult in the household.

As of 2015, there is a minimum Social Aid of 10 LEI per month (10 lei granted if after applying the method of calculation, the result is lower than 10 lei) (Article 5 paragraph (2) Law no. 416/2001).

3.1.3. *Benefit duration*

Indefinite, as long as the conditions for receipt are met.

3.1.4. *Means test*

The benefit is means-tested.

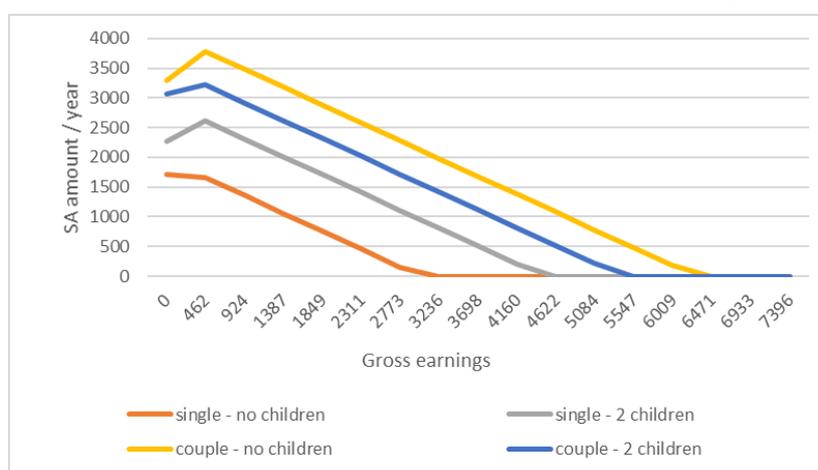
In the estimation of the monthly net income of the family/lone person, all incomes sources are taken into account (after the deduction of income tax liabilities and employee social

security contributions), including all family allowances and social benefits *with the following exceptions*:

- The monthly state allowance for children (Section 4.1),
- The allowance for family support (Section 4.2),
- The monthly complementary budget and social indemnities for persons with disabilities,
- All types of scholarships and educational incentive (including tickets for kindergarten)
- Income earned from occasional activities of day labourers, and some other financial support granted as compensations in exceptional circumstances.

Assets of the family are also evaluated. There is a list of assets leading to the exclusion of the right in the Annex of the Government Decision no.50/2011.

Figure 2. Social assistance by earnings levels and family type



Note: At the zero-earning point, both adults are assumed to be out of work without receiving unemployment benefits. Children are aged 4 and 6 where applicable.

Source: OECD tax-benefit model, 2020.

3.1.5. Tax treatment

Not taxable

3.1.6. Interaction with other components of the tax-benefit system

The benefit is compatible with the receipt of unemployment insurance benefit (Section 2.1) and the family benefits described in Section 4.

3.1.7. Combining benefit receipt and employment/starting a new job

The amounts shown in the table of Section 3.1.2 are increased by 15% if there is at least one working adult in the household (Article 6 paragraph (1) Law no. 416/2001). The increase applies to all households where there is at least one working person. The increase has an indefinite duration and is independent from the requirement that the household member starts a new job while receiving SA.

Incomes earned from *occasional* activities of day labourers are not taking into account establishing the guaranteed minimum income.

3.2. *Housing benefit*

The main purpose of the housing benefits that are within the scope of the OECD TaxBEN model is to reduce the rental costs for families who live in privately rented accommodations. Cash support for housing costs other than rent, e.g. heating and water bills, is outside the scope of the TaxBEN model. Similarly, TaxBEN does not include other housing benefits such as those for the construction of housing, the purchases of owner-occupied housing, or the repayment of interests on owner-occupied housing. In-kind support for families in social housing through below-market rents is also excluded.

According to the definition above, Romania does not currently operate any national cash housing benefits that aims at reducing the rental costs for families who live in privately rented accommodations.

4. Family benefits

Variable name: **[FB]**

4.1. *Monthly state allowance for children (Alocația lunară de stat pentru copii)*

Variable name: **[fb_msa]**

This is a non-contributory benefit, not means-tested and not taxable.

4.1.1. *Eligibility conditions*

The state allowance (Law no.61/1993) is a fixed sum paid for all children until they reach the age of 18 (and to children older than 18 who attend high school or a vocational programme, until their completion⁸).

The monthly state allowance is also granted to children of foreign citizens or without citizenship residing, under the law, in Romania, if they live with their parents.

4.1.2. *Benefit amount*

According to Government Emergency Ordinance no.9/2019, from the 1st of April 2019, the allowance is 300 LEI per month for children under the age of two (3 years old in case of disabled children), and to 150 LEI per month for children older than two. Since the 1st of January, 2020, according to the Law no.214/2019, the amount of the state allowance for children was increased with 100% of the average annual rate of inflation.

The monthly amount increased by about 3.8% and applies to the rights paid in February 2020, as follows:

- 311 lei for children up to 2 years old (or up to 18 years old in case of a child with disability).
- 156 lei for children between the age of 2 and 18, as well as for young people older than 18, who attend high school or vocational education courses, until their completion.

TaxBEN note: as the reference policy date of the TaxBEN model is 1st of January, the values that apply to the 2020 calculations do not take into account the inflation-related increase enacted in February 2020.

⁸ Except pupils who repeats the school year (except for health reasons proven with a medical certificate).

4.1.3. *Benefit duration*

No limitation.

4.1.4. *Means test*

The benefit is not means-tested.

4.1.5. *Tax treatment*

Family benefits are not taxable.

4.1.6. *Interaction with other components of the tax-benefit system*

The benefit can be received together in any other benefit. It is not accounted as income in the income-test for social assistance.

4.2. *Allowance for family support (Alocația pentru susținerea familiei)*

Variable name: `[fb_fsa]`

This is a non-contributory benefit, means-tested and not taxable.

4.2.1. *Eligibility conditions*

The programme for granting family allowance is stipulated by law no. 277/2010⁹. Allowance for family support is a means tested benefit, paid for single parent family and for those families for who the individual income per person is in some limits and who have children in care aged less than 18.

The Family concept is defined as:

- husband, wife and their children in care who live together in the household (article 2, paragraph 1, Law no. 277/2010)
- unmarried man and woman and their children in care who live together in the household (article 2, paragraph 3, Law no. 277/2010).

Single parent¹⁰ family concept is defined as:

- one person and his/her children in care who live together in the same household (article 2, paragraph 2, Law no. 277/2010).

Are considered to be part of the family as it is defined in article 2 also the children entrusted for adoption, those placed in foster care to a person or a family or for whom guardianship has been established, according to the law.

⁹ The law no. 277/2010 will be repealed by article 6 of Law 196/2016 on minimum inclusion income starting with 1st of April 2021

¹⁰ A *single parent*, as it is defined in article 2 paragraph (2) is a person who is in one of the following situations: a) is unmarried; b) is a widow; c) is divorced; d) the spouse is declared missing/disappeared by a court order; e) has the spouse detained temporarily for more than 30 days or executes a custodial sentence and does not participate in taking care of the children; f) has not reached the age of 18 and is in one of the situations mentioned in a) -e); g) has been appointed tutor or has been entrusted with or placed in her/his care one or more children and is in one of the situations mentioned is a) -c) (article 3, Law no. 277/2010)

4.2.2. *Benefit amount*

For families (as defined in article 2, paragraph (1) and paragraph (3), Law no. 277/2010) who's minimum net income per person is below or equal with 200 lei ($0.40 \cdot 500$ lei):

82 lei for families with 1 child ($0.1640 \cdot 500$ lei)

164 lei for families with 2 children ($0.3280 \cdot 500$ lei)

246 lei for families with 3 children ($0.4920 \cdot 500$ lei)

328 lei for families with 4 and more children ($0.6560 \cdot 500$ lei) – (article 5, paragraph (1), Law no. 277/2010)

For families (as defined in article 2, paragraph (1) and paragraph (3), Law no. 277/2010) who's minimum net income per person is between 201 and 530 lei ($0.40 \cdot 500$ lei $\geq 1.06 \cdot 500$ lei):

75 lei for families with 1 child ($0.1500 \cdot 500$ lei)

150 lei for families with 2 children ($0.3000 \cdot 500$ lei)

225 lei for families with 3 children ($0.4500 \cdot 500$ lei)

300 lei for families with 4 and more children ($0.6000 \cdot 500$ lei) (article 5, paragraph (2), Law no. 277/2010)

For single parent family (as defined in article 2, paragraph (2) Law no. 277/2010) who's minimum net income per person is below or equal with 200 lei ($0.4 \cdot 500$ lei):

107 lei for families with 1 child ($0.214 \cdot 500$ lei)

214 lei for families with 2 children ($0.428 \cdot 500$ lei)

321 lei for families with 3 children ($0.642 \cdot 500$ lei)

428 lei for families with 4 and more children ($0.856 \cdot 500$ lei) (article 6, paragraph (1), Law no. 277/2010)

For single parent family (as defined in article 2, paragraph (2) Law no. 277/2010) who's minimum net income per person is between 201 and 530 lei ($0.40 \cdot 500$ lei $\geq 1.06 \cdot 500$ lei):

102 lei for families with 1 child ($0.204 \cdot 500$ lei)

204 lei for families with 2 children ($0.408 \cdot 500$ lei)

306 lei for families with 3 children ($0.612 \cdot 500$ lei)

408 lei for families with 4 and more children ($0.816 \cdot 500$ lei) (article 6, paragraph (2), Law no. 277/2010)

4.2.3. *Benefit duration*

No limitation.

4.2.4. *Means test*

The benefit is income tested.

The income taken into account is the net incomes. The method of determining the net income is the same as for the guaranteed minimum income (Section 3.1). Family assets are also part of the means test. There is a *List of assets leading to the exclusion of the right*, Annex to the Government Decision no.50/2011.

Measures related to the COVID-19 outbreak:

During the entire state of emergency, which was declared at national level on 16 March 2020 and until the end of the school year, the allowance for family support was granted without the condition of attendance of the educational courses by the children from the families entitled to this benefit. Also, during the state of emergency the conduct of the social survey for these rights was suspended, until 15 May 2020.

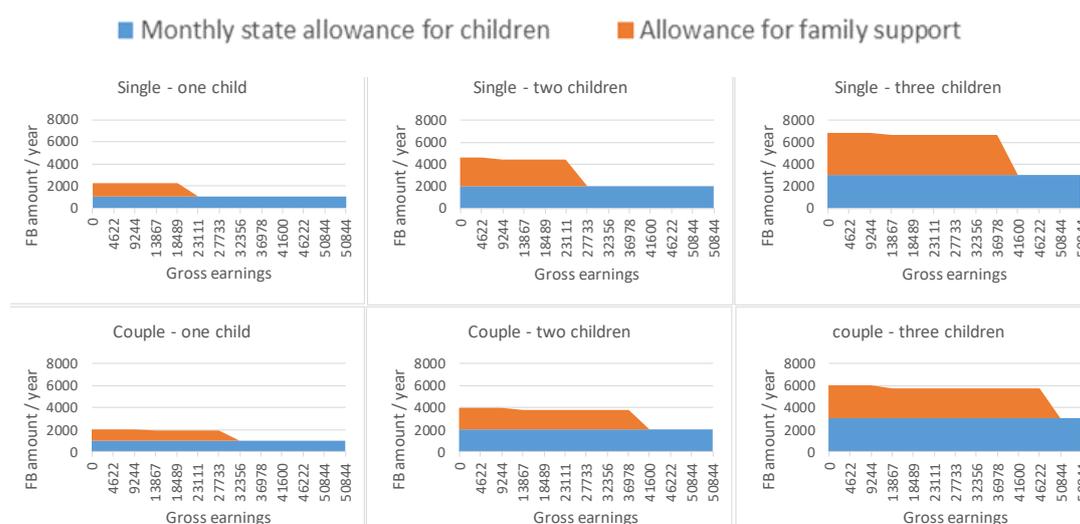
4.2.5. Tax treatment

The benefit is not taxable.

4.2.6. Interaction with other components of the tax-benefit system

The benefit can be received together in any other benefit. It is not accounted as income in the income-test for social assistance. The allowance for family support is not taken into account in the estimation of the monthly net income of the family/lone person, when the right to social aid is established.

Figure 3. Family benefits by type, earnings levels and family type



Note: At the zero-earning point, both adults are assumed to be out of work without claiming unemployment benefits. Children are aged 4 and 6 and 8 where applicable.

Source: OECD tax-benefit model, 2020.

5. Net costs of Early Childhood Education and Care

This section provides information on the net costs of centre-based childcare for pre-school children aged between 1 and 3 years (included). The focus is on public childcare centres, i.e. centres owned and operated by public authorities at central, regional or local level.

In Romania, according to the Education Law no.1/2011, children aged between 0 and 3 years (included) can attend any of the following centres:

- Crèches, which are under the responsibility of Local Public Authorities (LPA). The Ministry of Education share some responsibilities with LPAs for the education component and the curriculum, as well as the training, employment and education of staff members. As of 2021, LPAs and the Ministry of Education share responsibilities also for the standard costs per child.
- Kindergartens (only for children between 2 and 3 years old), which are under the full responsibility of the Ministry of Education.
- Day-care centres, which are under the responsibility of LPAs and the National Authority for Child Protection and Adoption. These centres are for children under special protection measures.

According to the Education Law no.1/2011, children aged 3 to 6 years old attend kindergartens.

Childcare services for pre-school children are provided by both private and public centres.¹¹ Compulsory schooling starts at 6 years old.

5.1. Gross childcare fees

In public crèches and kindergartens, parents pay for the cost of the meals.¹² The Government Decision no. 904/2014 regulates the maximum daily cost of the meal in public crèches and kindergartens, which is 12 LEI. Across the country, the daily cost of the meal ranges between 8 and 12 LEI.

The gross childcare cost considered in the TaxBEN model is 12 LEI per day, which corresponds to an annualized amount of 720 LEI.¹³

For children in public crèches and kindergarten, which stay with their parents, facing different problematic situation (socio-economic status, many children, single parent etc.) local public authorities could support the cost for meals (integral or partially, depending of the data collected from the social welfare report.

5.1.1. Discounts for part-time usage

In case of part-time usage, i.e. maximum 5 hours per day, parents do not pay for the meals. They provide a sandwich, daily, for their children and teachers provide the time for serving it, during the school programme.

5.2. Childcare benefits

Childcare benefits are support measures that depend *explicitly* on the use of centre-based childcare: a family that does not use centre-based childcare is not eligible for this type of benefits. In general, childcare benefits take the following forms:

- Allowances related to the use of centre-based childcare (including the purchase of meals at the childcare centre);
- Tax concessions related to family expenditures on centre-based childcare;
- Top-ups or supplements to other cash benefits (e.g. social assistance or family benefits) in order to reduce the cost of centre-based childcare.
- Fee discounts / rebates (including fee provision) applied directly by the childcare centre to reduce the cost of the fees charged to parents in particular circumstances situations (e.g. for low-income families, large families, lone parents, etc.).

5.2.1. Allowances for formal centre-based care

There are no allowances for formal centre-based care in Romania.

5.2.2. Child care allowance for children NOT using child care centres

These benefits are conditional to NOT using childcare centres. Examples are home-care allowances for stay-at-home parents. There are no such benefits in Romania.

¹¹ Private centres are owned by profit-oriented companies or by non-profit organizations. They may be either fully self-financed or publicly subsidized.

¹² In day-care centres the Government pays for the meals.

¹³ I.e. 12 LEI per day multiplied by the number of working day per week (5), times 52 weeks.

5.2.3. Tax concessions for childcare expenditures

There are no tax concessions for childcare expenditures in Romania.

5.2.4. Fee discounts / rebates (including fee provision)

Local public authorities in Romania can pay for the cost of meals (integrally or partially, depending of the data collected from the social welfare report) for children in particular circumstances, e.g. low-income families, large families, lone parents, etc.

TaxBEN note: As these discounts are at the discretion of the individual kindergarten / crèches without any local or national regulations, they are not included in the TaxBEN model.

5.2.5. Top-ups or supplements to other cash benefits

There are no such top-ups or supplements to other cash benefits in Romania.

6. Social security contributions and payroll taxes

6.1. Social security contributions payable by employees and benefit recipients

Variable names: `[SOCSEC_p; SOCSEC_s]`

In accordance with the national legislation provisions in force¹⁴ the social security contribution and the social health insurance contribution paid by the employer were transferred to the employee; thus, starting with January 2018, these contributions are borne entirely by the employee, and reflected in the gross amount of the nominal earnings.¹⁵

According to the national legislation (Law no. 227/2015 Fiscal Code with subsequent amendments), the employees pay the following social contributions:

- for health care schemes – 10.0% from the monthly gross income (Article 156 Law no. 227/2015);

- for social-security schemes – 25.0% from the monthly gross income (including 5.1 % corresponding to the private pension funds (Article 138, Law no. 227/2015); If the basis value is greater than five times the average gross earnings stipulated in the State Budget Law (see below for details), the individual social security contribution rate will be applied to the equivalent of five times the average gross earnings (Article 146, par.6 Law no. 227/2015). The ceiling of the employees' social security contributions is applied since January 1st 2011. The table below shows the values of the average gross earnings starting from 2008.¹⁶

Average monthly gross earnings stipulated in the State Budget Law

Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Value	1693	1836	2022	2117	2223	2298	2415	2681	3131	4162	5163	5429

¹⁴ GEO no. 79/2017 for amending and completing the Law no. 227/2015 on the tax code

¹⁵ Consequently, starting with 2018, the “average annual gross earnings” shown in this section are no longer comparable with the data prior to 2018.

¹⁶ The average gross earnings is stipulated in Law no. 3 on social security budget for 2018 (Art. 15, Chapter III Final provisions).

6.2. Social security contributions payable by employers

Variable names: [SSCR_p; SSCR_s]

According to the national legislation, the employers (Law no. 227/2015 Fiscal Code with subsequent amendments) are paying the following social contributions:

- for risk and accident fund - 4.0% and 8.0% from the monthly gross income depending on the risk class (Chapter III Article 5 paragraph (2) G.D no.144/2008 with subsequent amendments)

- for salary debt fund – 0.25% from the monthly gross income (Article 211, Law no. 227/2015)

- employment insurance contributions paid by the employers to the general consolidated budget¹⁷ (Art. 220⁶, Law no. 227/2015)

For a better view in the below table is a comparative situation on social contributions and tax.

Compulsory social contributions and tax							
- comparative table -							
<i>percentage (%)</i>							
	<i>Until December 31st 2017</i>				<i>Starting with January 1st 2018</i>		
Employee	Employees' individual contributions to unemployment	0.5			-		
	Employees' individual contributions to social security	10.5			Employees' social security contribution	25.0	
	Employees' individual contributions to health insurance	5.5			Employees' social health insurance contribution	10.0	
Employer	Employers' contributions to the unemployment	0.5			-		
	Employers' contributions to social security fund ¹⁸	15.8	20.8	25.8	-	4.0	8.0
	Employers' contributions to the health insurance	5.2			-		
	Employers' contributions to sick leaves payments and indemnities	0.85			-		
	Employers' contributions to risk and accidents fund ¹⁹	0.15 - 0.85			-		
	Employer's contribution to the guarantee fund for the payment of wage claims	0.25			-		

¹⁷ It is distributed as follows: 15.0% to the guarantee fund for the payment of wage claims; 20.0% to the unemployment budget; 5.0% to the risk and accidents fund; 40.0% to the Unique National Health Insurance Fund for sick leaves payments; 20.0% to the state budget, in a special fund.

¹⁸ The employers' contributions to social security fund is based on working conditions in a gradually order from left to right: normal working conditions, harder working conditions and special working conditions. The OECD tax-benefit model uses the rate that applies to the normal working conditions.

¹⁹ In accordance with the risk degree.

	-	Employment insurance contributions paid by the employers to the general consolidated budget	2.25
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Starting with 2018, individuals who carry out activities in the field of computer software, innovation or research and development pay no taxes. Starting with January 1 2019 and for a determined period, some exceptions were made for section F and some related divisions (Table below).

Compulsory social contributions and tax (January 1 2020 – December 31 2020) – section F and some related divisions		
Employee	Employees' social security contribution	21.25
	Employees' social health insurance contribution	-
	Tax	-
Employer	Employment insurance contributions paid by the employers to the general consolidated budget	0.337

In order to benefit from these reductions, the employers must make up at least 80% of their total turnover in activities from the construction domain.

TaxBEN note: As this measure applies only to workers of the construction sector, it is outside the scope of the OECD tax-benefit model. The model for 2020 uses the general SSC rates above: 35% in total for employees and 2.225% in total for the employers.

7. Taxes

The tax unit is individual.

7.1.1. Personal income tax

Variable name: [\[INCTAX_p\]](#); [\[INCTAX_s\]](#)

7.1.2. Standard allowances

Starting with 1 January 2018, a new deduction allowance scheme are applying, as seen in the below table.

The employees' benefit of a basic monthly allowance given **gradually based** on the level of the **monthly salary and number of persons in care** (Law 227/2015 Fiscal Code, art. 59, par. 1, letter a) and par. 2).

Monthly gross salary (MGS) in Lei	Monthly standard allowance based on the level of the monthly salary and number of persons in care (Lei)				
	No person in care	1 person in care	2 persons in care	3 persons in care	4 or more persons in care
1-1950	510	670	830	990	1310
1951-2000	495	655	815	975	1295
2001-2050	480	640	800	960	1280
2051-2100	465	625	785	945	1265
2101-2150	450	610	770	930	1250

2151-2200	435	595	755	915	1235
2201-2250	420	580	740	900	1220
2251-2300	405	565	725	885	1205
2301-2350	390	550	710	870	1190
2351-2400	375	535	695	855	1175
2401-2450	360	520	680	840	1160
2451-2500	345	505	665	825	1145
2501-2550	330	490	650	810	1130
2551-2600	315	475	635	795	1115
2601-2650	300	460	620	780	1100
2651-2700	285	445	605	765	1085
2701-2750	270	430	590	750	1070
2751-2800	255	415	575	735	1055
2801-2850	240	400	560	720	1040
2851-2900	225	385	545	705	1025
2901-2950	210	370	530	690	1010
2951-3000	195	355	515	675	995
3001-3050	180	340	500	660	980
3051-3100	165	325	485	645	965
3101-3150	150	310	470	630	950
3151-3200	135	295	455	615	935
3201-3250	120	280	440	600	920
3251-3300	105	265	425	585	905
3301-3350	90	250	410	570	890
3351-3400	75	235	395	555	875
3401-3450	60	220	380	540	860
3451-3500	45	205	365	525	845
3501-3550	30	190	350	510	830
3551-3600	15	175	335	495	815

Person in care is defined as the wife/husband, children or other family members or relatives of the taxpayer or his/her spouse up to the second degree included, whose incomes are less than 510 Lei.

The monthly gross salary that is relevant for the calculation of the monthly standard allowance is calculated by rounding the amount at ten, in the sense that fractions under ten are made ten. (i.e. 235 Lei is transformed in 240 Lei).

The monthly standard allowance for two-earner couples with children is applied to one parent only, the one with lower gross earnings.

7.1.3. Tax base

The income tax is applied after the standard allowance and the below social contributions are deducted from the monthly gross income. For lower wages, if necessary, a personal deduction is added before deducting the tax (see the above table).

7.1.4. Income tax schedule

The income tax is 10% (Art.64, paragraph (1) Law no. 227/2015) irrespective of the monthly gross income. From 2005-2017, the tax paid by the employees was 16%.

8. Selected output from the OECD tax-benefit model (TaxBEN)

This section shows selected output of the TaxBEN model for Romania 2020 (Figure 4). TaxBEN by default produces the following output: 1) net household incomes (**black lines**) and 2) related income components (**coloured stacked areas**) for selected family and individual circumstances (e.g. a lone parent working at different earnings levels with two children aged 4 and 6 respectively – users are free to select many of these circumstances using the [online web calculator](#)). Figure 4 shows outputs for four scenarios:

- By current hours of work for an employee with an hourly wage rate equal to the average wage (**Panel A**);
- By unemployment duration (in months) for a jobseeker claiming unemployment benefits (**Panel B**);
- By previous gross earnings levels, for a jobseeker claiming unemployment benefits (**Panel C**);
- By previous employment record, for a jobseeker claiming unemployment benefits (**Panel D**).

The stacked areas shows the household income components. Note that each component can contain more than one benefit. The table of content of this report describes which benefit is included in each category.

Results in Figure 4 refer to a couple with two children. Adults are both 40 years old whereas children are 4 and 6 years old respectively. Social assistance and housing benefit supplements are assumed to be available in all the four scenarios provided that the necessary income and eligibility requirements are met. Where receipt of social assistance or other benefits is subject to activity tests (such as active job-search or being available for work), these requirements are assumed to be met.

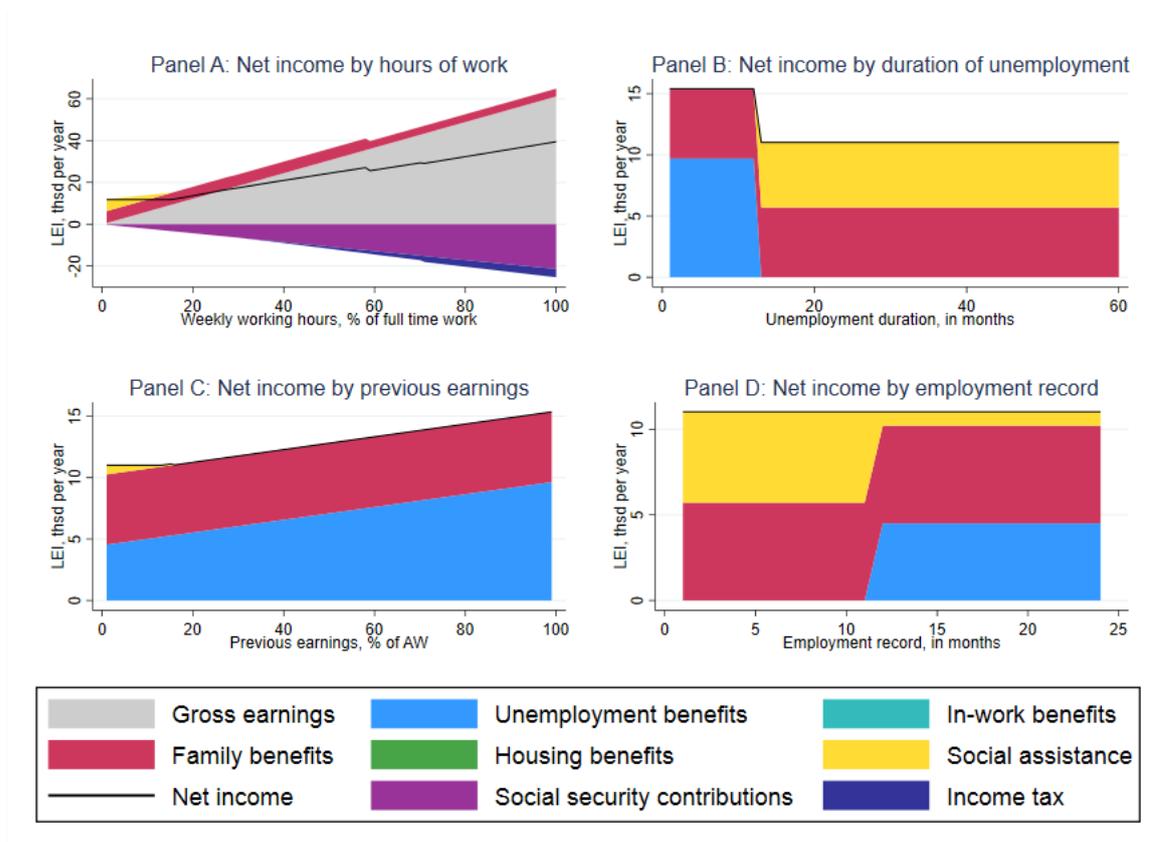
Panel A assumes shows the net household incomes of a couple where the ‘first adult’ is employed full-year at different working hours ranging between 1% and 100% of full time work (with a fixed hourly wage rate equal to the average hourly wage). The second adult is out of work and not eligible for unemployment benefits (e.g. because they have expired).

Panels B to D assume that the first adult is out of work and claiming unemployment benefits whereas the second adult is also out of work but not claiming unemployment benefits. In Panel B and C the first adult is assumed to have a ‘long’ employment record of 264 consecutive months before the job loss. The x axis in Panel B measures the time of unemployment benefit receipt, starting from the first month. The x axis in Panel C shows the annual amount of previous in-work earnings (before any social contributions) as a percentage of the average wage. Results in Panels C and D refer to the 2nd month of unemployment benefit receipt whereas Panel D considers the case of previous earnings equal to the average Wage. Previous earnings in Panel B are also equal to the average wage.

All results assume a (fixed) private market rent plus other relevant housing costs amounting to 20% of the full-time average wage in all four scenarios.

Figure 4. Selected output from the OECD tax-benefit model

Couple with two children



Note: more information on the simulation settings described in the text of Section 8.

Source: [OECD tax-benefit model, 2012](#).

Annex A: Other benefits and direct taxes

This section provides a brief description of other cash benefits and taxes on employment incomes in Romania that are relevant for some members of the population below the statutory retirement age, but which are not included in the OECD tax-benefit model.

A.1 Unemployment benefit for people assimilated as unemployed

For the persons who did not find a job after graduating certain levels of education (Article 17 paragraph (2) correlated with Article 16 letter b) Law no.76/2002), the unemployment benefits is a monthly fixed sum granted for a period of 6 months and represents 50% from the value of reference social indicator.

A.2 Installation and relocation allowance

Working long distances without changing the domicile/residence

Registered unemployed presented at 2.1. I (Article 17 paragraph (1) Law no.76/2002) who get a job in a company situated at a distance longer than 15 km from home are entitled to receive an installation allowance, tax free. The amount of the installation allowance is calculated at 0.5 lei/km, but no more than 55 lei per day, proportionally with the number of working days. The installation allowance is to be granted for a period of maximum 12 months (Article 74 Law no.76/2002, revised by the E.O no. 60/2016).

Working long distances by changing the domicile/residence

Registered unemployed presented at 2.1. I (Article 17 paragraph (1) Law no.76/2002) who accept a job for which they have to move to a different locality more than 50 km away from their domicile/residence, and as a result, change their domicile/residence to the respective locality or its neighbouring localities, they benefit from a tax free relocation allowance, intended to stimulate employment, to cover the cost of living in the new home and/or for family reunification, if the case.

The relocation allowance is granted as follows:

- a. 12,500 lei, if the job is in another locality and, as a result, change their domicile/residence;
- b. 15,500 lei, if are accompanied by their family members and in case of the single parent family, if they are accompanied by their children.

If both spouses meet the conditions for granting the relocation allowance one of the spouse will receive the amount of 12,500 lei and the other spouse will receive an instalment allowance of 3,500 lei.

By exception, if the employer provides for a work related house or pays the related expenses from their own funds, the instalment allowance will be granted as follows:

- a. 3,500 lei, if the job is in another locality and, as a result, change their domicile/residence
- b. 6,500 lei, if are accompanied by their family members and in case of the single parent family, if they are accompanied by their children;
- c. 3,500 lei, if both spouses meet the conditions for granting the relocation allowance.

The relocation allowance will be granted in two instalments as follows:

- a. one instalment equal to 50% on installation date;
- b. another instalment equal to 50% after a 12 month period following the employment date.

If the employer provides a work related house or pays the related expenses, the relocation allowance will be granted in one instalment on the installation date (Article 75 Law no.76/2002, revised by the E.O no. 60/2016).

The mobility allowances (installation and relocation) referred to in art. 74 and art. 75 are not cumulated (Article. 75¹, paragraph 1) and are granted on request.

A.3 Bonus for new employment

Registered unemployed presented at 2.1. II (Article 17 paragraph (2) Law no.76/2002), who are at least 16 years old and are registered in one of the territorial National Agencies for Employment and find a job in normal working time, for a period longer than at least 12 months receive a bonus paid from unemployment insurance budget equal with the value of reference social indicator, in force (Article 73¹ paragraph (1) Law no.76/2002).

A.4 Heating benefits

The programme for heating benefits during the cold season (Emergency Government Ordinance no. 70/2011²⁰ regarding measures of social protection during the cold season). This is available to families who use thermal energy in a centralized house heating system, persons who use natural gas, wood, coal, oil, and electricity, starting with 2013, are eligible to benefit from these measures.

The Emergency Government Ordinance stipulates the maximum income of a person or a family for being eligible to the heating allowance, and it stipulates allowance amounts for heating with natural gas, wood, coal, oil, electricity and thermal energy in a centralized system.

A.5 Maternity Benefits

The insured women (in-work) and the women who lost the job less than 9 months before have the right to maternity²¹ benefits for a period of 126 days including pregnancy leave and postnatal leave. The payments are made from the health insurance budget (Article 23 and 25 E.G.O no. 158/2005).

A.6 Indemnity for maternal/parental leave

One of the child parents is entitled to receive indemnity and parental leave up to 2 years or 3 years in case of a disabled child (Article 2 paragraph (1) E.G.O no.111/2010).

²⁰ The G.O no. 70/2011 will be repealed by article 96 of Law 196/2016 on minimum inclusion income starting with 1st of February 2021

²¹ For women who lost the job less than 9 months before have the right to maternity, the allowance will computing as the average of the monthly incomes during the last 6 months preceding the date of losing the job

The monthly indemnity is established at a rate of 85% of the average net income achieved in the last 12 months in the last 2 years preceding the date of child birth and cannot be less than 2.5 ISR (ISR = Reference Social Indicator- 500 lei), but no more than 8.500 lei/monthly.

In case of twin or multiples pregnancy, the level of monthly indemnity provided is increased with 2.5 ISR for each child born, starting with the second child came from such a birth (Article 5 paragraph (2), E.G.O. no 111/2010).

Persons who, during the period they are entitled to benefit of parental leave, receive incomes subject to taxation, are entitled to a monthly incentive insertion. The incentive insertion is granted to persons entitled to benefit from the child raising indemnity if the parent decides to come back to work. If the parent decided to come back to work 60 days before the child fulfils the age of 2 years old, the incentive insertion is granted until the age of 3 years old or the age of 4 years old in case of disabled child in a monthly amount of 650 lei, starting with April 2017.

In cases when the persons receive the monthly indemnity and ask for the incentive insertion amount, then the monthly indemnity for maternal/parental leave is suspended.

Measures related to the COVID-19 outbreak:

Automatic extension of the rights of child raise indemnity (parental leave) in case of the beneficiaries who were receiving the child raising indemnity on the date of establishment the state of emergency. They will continue to receive this indemnity, during the entire period of state of emergency and also 30 days after the end of this period, even if the child has reached the age of 2 years, respectively 3 years or 7 years, in the case of the child with a disability; In the same context of supporting families with children, was extended also the granting of accommodation leave and indemnity (granted for adopted children).

Ensuring the payment of the monthly insertion incentive and the support allowance for raising children with disabilities, regulated by E.G.O no. 111/2010. Thus, the payment of these rights didn't ceased during this period, if the parent was not be active on the labour market.

These measures applied until 31 May 2020. Both measures regarding the extension of the parental leave and the child raising indemnity and of the insertion incentive continue to apply for those persons working in areas where activity restrictions are maintained, but no later than 31 December 2020.

A.7 Sickness Benefit (Prestații de boală)

Entitlement and eligibility conditions

In order to benefit from leave and social health insurance benefits, the insured persons must cumulatively meet the following conditions:

- a) to fulfil the minimum contribution period of 6 months completed in the last 12 months prior to the month for which the medical leave is granted;
- b) to present the certificate from the payer of indemnities showing the number of days of temporary incapacity for work in the last 12 months, except for medical-surgical emergencies or infectious diseases in group A.

In order to prevent illness, the insured persons have the right to leave and indemnity for quarantine, without fulfilling the condition regarding the insurance period.

Considering the epidemiological context determined by the spread of the SARS-CoV-2 coronavirus, starting with May 15, 2020 and until September 30, 2020, the provision of

medical services and medicines within the social health insurance system is performed for all persons on the territory of Romania and is supported from the budget of the Single National Health Insurance Fund.

Benefit amounts

For employees, the basis for calculating allowances is determined as the average of gross monthly income in the last 6 months of the 12 months from which the contribution period is constituted, up to the limit of 12 minimum gross salaries per month, based on which insurance contribution for work is calculated.

For the unemployed, the calculation basis of the indemnities is determined as the average of the monthly gross income representing unemployment indemnity, from the last 6 months of the 12 months from which the contribution period is constituted, up to the limit of 12 minimum gross salaries per month.

For individuals, the basis for calculating benefits is determined as the average of insured income, entered in the insurance contract, from the last 6 months of the 12 months from which the contribution period is established, up to the limit of 12 minimum gross wages per month.

• Leave and allowance for temporary incapacity for work

Temporary incapacity benefits are paid as follows:

A. by the employer, from the first day to the 5th day of temporary incapacity for work, except for the indemnities related to the medical leave certificates granted to the insured persons for whom the isolation measure was instituted, according to Law no. 136/2020;

B. from the budget of the Single National Health Insurance Fund, starting with:

b.1) the day following those borne by the employer, according to letter A, and until the date of termination of the temporary incapacity for work of the insured or his retirement;

b.2) the first day of temporary incapacity for work, in the case of insured persons earning income in Romania, from employers of states not covered by the applicable European legislation in the field of social security, as well as agreements on social security systems to which Romania it is a party, in the case of unemployed persons, as well as of natural persons

b.3) the first day of temporary incapacity for work, in the case of insured persons for whom the isolation measure was instituted, according to Law no. 136/2020.

The gross monthly amount of the allowance for temporary incapacity for work is determined by applying the percentage of 75% on the established calculation basis.

The gross monthly amount of the indemnity for temporary incapacity for work, determined by tuberculosis, AIDS, neoplasms, as well as by a group A infectious disease and medical-surgical emergencies, is 100% of the established calculation base.

• Leave and allowances for the prevention of illness and recovery of work capacity

In order to prevent illness and recover work capacity, the insured may benefit from: allowance for reducing working time; leave and allowance for quarantine and spa treatment, in accordance with the individual recovery program.

The indemnity for reducing the working time by a quarter of the normal duration is granted to the employed insured persons, who, due to health reasons, can no longer achieve the normal working hours.

The gross monthly amount of the allowance for the reduction of working time is equal to the difference between the established calculation base and the gross salary income achieved by the insured by reducing the normal working time, without exceeding 25% of the calculation base.

The leave and the indemnity for quarantine are granted to the insured persons who are in quarantine or established isolation.

The gross monthly amount of the quarantine or isolation allowance represents 100% of the established calculation base and is fully supported from the budget of the Single National Health Insurance Fund.

Duration

The duration of the indemnity for temporary incapacity for work is maximum 183 days during one year, calculated from the first day of illness.

Starting with the 91st day, the leave can be extended by the specialist doctor up to 183 days, with the approval of the social security expert doctor.

The duration of the the leave and the indemnity for temporary incapacity for work is longer in case of special diseases and is differentiated as follows:

- a) one year, within the last 2 years, for pulmonary tuberculosis and some cardiovascular diseases, established by the National Health Insurance House, hereinafter referred to as CNAS, with the consent of the Ministry of Health;
- b) one year, with the right to extension for up to one year and 6 months by the social security expert, within the last 2 years, for meningeal, peritoneal and urogenital tuberculosis, including the adrenal glands, for AIDS and neoplasms, depending on the stage of the disease;
- c) one year and 6 months, during the last 2 years, for operated pulmonary and osteoarticular tuberculosis;
- d) 6 months, with the possibility of extension up to a maximum of one year, within the last 2 years, for other forms of extrapulmonary tuberculosis, with the approval of the social insurance expert doctor.

In the case of insured persons, leave and indemnities for temporary incapacity for work caused by infectious diseases for which the isolation measure is instituted, according to the law, are granted until the date of confirmation of the person as cured based on clinical and paraclinical examinations or doctor's recommendation that the risk of transmitting the disease no longer exists.

Means test

No means test

Tax treatment

The benefit is taxed

Interactions with other components of the tax-benefit system

None

A.8 Mandatory employer sick pay

Rules are the same as the sickness benefit. The main difference is the duration of benefit entitlements:

The employer has the obligation to pay the contribution for each period of sick leave, from the first day to the 5th day of temporary incapacity for work, except for the indemnities related to the medical leave certificates granted to the insured persons for whom the isolation measure was instituted, according to Law no. 136/2020. Duration of the benefit: the first 5 days for each period of sick leave, without waiting periods.

Annex B. Measures adopted by the Ministry of Labour and Social Protection on employment in the context of the COVID-19 pandemic

Considering the extraordinary situation determined by the SARS-CoV-2 coronavirus pandemic, it was necessary to take urgent measures in the social and economic field to prevent damage with long-term effects on the situation of employees and other categories of persons. The Government Emergency Ordinance no. 30/2020 amended other normative acts and established some new measures in the field of social protection. Subsequent amendments of the Government Emergency Ordinance no. 30/2020 are: GEO no. 32/2020, GEO no. 53/2020, GEO no. 70/2020, as well as GEO no. 92/2020.

One of the innovative measures adopted by the Romanian Government was the financing from public funds of the technical unemployment benefit both for employees and for other professional categories that do not carry out lucrative activities based on an individual employment contract. The measure sought support to maintain jobs and prevent rising unemployment in this time of health crisis. The measures adopted have been taken in accordance with the evolution of the national situation and the needs of the labour market and may be financed also from European funds, within the allocated amounts and in accordance with the applicable provisions and rules for granting funding, through the Ministry of European Funds.

The categories of beneficiaries of the technical unemployment benefit during the state of emergency and after it, until the 30th of June 2021 for all the economic activities where the restrictions are maintained:

- employees who have their individual employment contract suspended, at the initiative of the employer, according to art. 52 para. (1) lit. c) of Law no. 53/2003 - Labour Code, republished, with subsequent amendments and completions,
- other professionals, as regulated by art. 3 para. (2) of Law no. 287/2009 on the Civil Code, republished, with subsequent amendments,
- the persons who have concluded individual labour agreements based on Law no. 1/2005 on the organization and functioning of the cooperation, republished, with subsequent amendments,
- the persons provided in art. 67 ^ 1 alin. (1) lit. a) - c) of the Law on physical education and sports no. 69/2000, as subsequently amended and supplemented,
- natural persons who obtain revenues exclusively from copyright and related rights, as regulated by Law no. 8/1996 on copyright and related rights, republished, with subsequent amendments and completions,
- Lawyers whose activity was reduced as a result of the effects of the SARS-CoV-2 coronavirus also benefited of the technical unemployment benefit if in the month for which they requested the indemnity they achieved revenues at least 25% lower than the monthly average for 2019, but which did not exceed the average gross salary provided by Law no. 6/2020.

The manner of granting this benefit during the state of emergency and after it, until the 30th of June 2021 for all the economic activities where the restrictions are maintained by the authorities:

- support from the Unemployment Insurance Budget, for the period of suspension of the individual employment contract at the initiative of the employer, in case of temporary interruption or reduction of activity according to art. 52 para. (1) lit. c) of Law no.

53/2003 - Labour Code, with subsequent amendments and completions, of an allowance granted to employees, of 75% of the basic salary corresponding to the job occupied, but not more than 75% of the average gross earnings provided by Law no. 6/2020 on the state social insurance budget for 2020;

- other categories of professionals defined by Law no. 287/2009 on the Civil Code, republished, with subsequent amendments and completions, who are not employers and who interrupt the activity totally or partially based on the decisions issued by the authorities, benefit from an indemnity equal to 75% of the minimum gross earnings per country guaranteed in payment for 2020, from the general consolidated budget;
- for the persons who benefit from a sports activity contract, according to Law no. 69/2000 with subsequent amendments and completions, whose activity is suspended at the initiative of the sports structure, an indemnity of 75% of the cash rights related to the sports activity is granted, but not more than 75% of the average gross earnings;
- natural persons who obtain income exclusively from copyrights and related rights and are unable to carry out their activity benefit from a monthly allowance of 75% of the average gross earnings;
- persons who have concluded individual labour agreements based on Law no. 1/2005 on the organization and functioning of the cooperation, republished, with subsequent amendments, benefit from an allowance equal to 75% of the minimum gross earnings per country guaranteed in payment for 2020. In order to grant the amounts necessary for the payment of the allowance, the cooperation with which the persons have concluded individual agreements take the necessary steps to grant these rights.
- Lawyers could benefit, during the state of emergency, under the conditions of GEO 30/2020, from the same technical unemployment benefit amounting to 75% of the average gross earnings provided by the law.

Submission in electronic format to the county employment agencies, respectively of the Municipality of Bucharest (local PES) of the documents necessary to request from the employers the amounts necessary to pay the technical unemployment benefit and subsequently their simplification by submitting them on the platform provided by the Romanian Digitization Authority, www.aici.gov.ro;

Making the payment from the Unemployment Insurance Budget of the indemnities in maximum 15 days from the submission of the documents and granting the indemnity to the employees within 3 working days from the receipt by the employer of the amounts from the Unemployment Insurance Budget;

Starting with June 2020, employers who have registered employment contracts suspended for a period of at least 15 days during the state of emergency or alert due to technical unemployment, whether or not they have benefited from the settlement of the technical unemployment benefit from the budget, have benefited for a period of 3 months, in accordance with the law, from the settlement of a part of the salary representing 41.5% of the gross basic salary, corresponding to the job occupied, but not more than 41.5% of the average gross salary at national level;

Employers who, until September 1st, 2021, employ unemployed people over the age of 50 whose employment relationships have ceased for reasons not attributable to them during the state of emergency or alert, but also those who employ full time persons aged between 16 and 29, receive monthly 50% of the employee's salary, in accordance with the law, but not more than 2,500 lei, for a period of 12 months, with the obligation to maintain employment for a period of at least 12 months after the grant period. Of this measure also benefit, under similar conditions, for the same age categories, the employers who employ Romanian citizens

whose employment relations with foreign employers in progress on the territory of other states have ceased, for not imputable reasons, by dismissal.

Establishing the method of payment of income tax and state social insurance contributions and those of social health insurance, respectively the method of calculation, withholding, payment and declaration of tax obligations related to these benefits;

Extension, during the state of emergency, of the payment of the unemployment benefit provided by Law no. 76/2002, with the subsequent amendments and completions, for the unemployed whose right ceases during this period. Subsequently, by Law no. 59/2020 for the approval of GEO no. 30/2020 was established the extension by three months, until December 31, 2020, of the period for granting unemployment benefits, including for those for whom the payment of unemployment benefits was suspended on the date of entry into force of Law no. 59/2020;

Establishing the periods of state of emergency and alert as an assimilated stage in the unemployment insurance system, in which individual employment contracts are suspended, for which employers do not owe the insurance contribution for work as it is regulated by specific legislation;

During the emergency and alert period, when establishing and calculating the unemployment benefit provided by Law no. 76/2002 with the subsequent amendments and completions, the indemnity granted to the employees whose individual employment contract was suspended, at the initiative of the employer, is used;

Maintaining the electronic communication of applications and documents for establishing unemployment rights and ALMPs.

For the entire period of suspension of activity, but not later than the 30th of June 2021, the technical unemployment benefit is granted to employees whose activity has been suspended (for the number of days in which the activity was suspended) as a result of the epidemiological investigation by the territorial institutions of public health (does not apply to employees on medical leave who receive the related social insurance allowance);

In case of temporary reduction of the work time determined by the establishment of the state of emergency / alert / siege, in accordance with the law, as well as for a period of up to 3 months from the end of the last period in which the state of emergency / alert / siege was established, employers have the possibility to reduce the working time of employees by no more than 50% of the daily, weekly or monthly duration provided in the individual employment contract, for at least 5 working days, monthly, by decision of the employer, during which the employees affected by the measure receive an indemnity of 75% of the difference between the gross basic salary provided for in the individual employment contract and the gross basic salary for the hours actually worked the reduction of working time, calculated at the actual time worked, in accordance with the law;

The reduction of work time is also applied in the case of the shift work schedule, as well as in the case of the unequal work schedule.

In case of temporary reduction of the work time determined by the establishment of the state of emergency / alert / siege, as well as for a period of up to 3 months from the end of the last period in which the state of emergency / alert / siege was established, during the reduction of working time, the professionals, as well as the persons who have concluded individual labour agreements based on Law no. 1/2005 on the organization and operation of the cooperation, republished, with subsequent amendments, benefit, upon request, based on the declaration on its own responsibility, from a monthly allowance of 41.5% of the average gross earnings provided by the specific legislation.

For persons who carry out unskilled activities on an occasional basis, according to the provisions of Law no. 52/2011 on the exercise of occasional activities carried out by day labourers, republished, with subsequent amendments and completions, called day labourers, which carry out their activity in one of the areas provided in art. 13 of that above mentioned law, affected by the interruption or restriction of activity due to the effects of the SARS-CoV-2 coronavirus, for a period of three months, at the choice of the beneficiary of works, but not later than June 30th, 2021, is granted from the budget state an amount representing 35% of the remuneration due for the working day.

Until June 30th, 2021, but not more than a period of 3 months, at the choice of the employer, for employees who conclude individual employment contracts for a fixed period of up to 3 months, the settlement of part of the salary granted to them, from the unemployment insurance budget, representing 41.5% of the salary related to the days worked in these jobs, for a working period of 8 hours / day, but not more than 41.5% of the average gross salary provided by Law the state social insurance budget for 2020 no. 6/2020, with subsequent amendments, related to the period worked.

For carrying out the telework activity, in accordance with the provisions of Law no. 81/2018 on the regulation of telework activity, is granted, once, to employers for each teleworker, a financial support amounting to 2,500 lei in order to purchase packages of technological goods and services necessary for the activity of telework. This financial support has been granted, in the order of submission of applications, up to 31st December 2020, from the unemployment insurance budget, within the limits of the funds allocated with this destination, to employers, for employees who have worked in telework in the period when the state of emergency or alert was established for at least 15 working days.

Establishing the method of payment of income tax and state social insurance contributions and those of social health insurance, respectively the method of calculation, withholding, payment and declaration of tax obligations related to these benefits.

Extension, during the state of emergency, of the payment of the unemployment benefit provided by Law no. 76/2002 for the unemployed whose right ceased during this period. Subsequently, by Law no. 59/2020 for the approval of GEO no. 30/2020, it was established the extension by three months, until December 31, 2020, of the period for granting unemployment benefits, including for those for whom the payment of unemployment benefits was suspended on the date of entry into force of Law no. 59/2020.

In case the employment contracts were suspended due to the effects of the coronavirus pandemic, during the state of emergency and alert, the suspension period was established to be a contribution period assimilated in the unemployment insurance system.

During the emergency and alert period, when establishing and calculating the unemployment benefit provided by Law no. 76/2002 with the subsequent amendments and completions, the technical unemployment indemnity granted to the employees whose individual employment contract has been suspended at the initiative of the employer is used.

Also, the periods in which the persons benefit from the reduction of working time (and the related indemnity) constitute an assimilated contribution period in the unemployment insurance system and are taken into account when establishing the contribution period necessary for being entitled to unemployment benefit.

The electronic communication of applications and documents for establishing unemployment rights and granting active measures is maintained.