

## Old Age, Disability, Death

First law: 1912.

Current laws: 1977, 1990, 1991, 1992, 1995.

Type of program: Social insurance system.

**Exchange rate:** U.S.\$1.00 equals 9,950 lei.

### Coverage

Employed persons.

Special systems for lawyers and other professional categories.

Voluntary insurance for farmers.

### Source of Funds

**Insured person:** 5% of earnings for supplementary pension.

**Employer:** 23%, 28% or 33% of payroll, according to working conditions (normal, arduous, very arduous; respectively) in industry.

**Government:** Any deficit.

Above employer contributions also finance cash sickness, maternity, work-injury and occupational illness benefits.

### Qualifying Conditions

**Old-age pension:** Age 60 (men) or 55 (women). 30 years (men) or 25 years (women) of employment.

Age 62 (men) or 57 (women), if retirement initiated by enterprise.

Lower age requirements for arduous or dangerous work, and for women who have raised at least 3 children.

Early pension available under certain conditions from age 55 (men) or 50 (women).

**Disability pension:** Incapacity for all work (total disability) or for regular work (partial disability). 1-22 years (men) or 1-17 years (women) of employment, according to age when disabled.

Constant-attendance supplement: Total disability requiring constant attendance.

Partially disabled may work half-time.

**Survivor pension:** Insured met pension requirements or was pensioner at death.

Eligible survivors: Widow fulfilling certain conditions relating to age and duration of marriage, or if disabled. Children below age 16 (25 or 26 if student, depending on duration of studies).

### Old-Age Benefits

**Old-age pension:** 54% to 85% of reference wage, according to work categories and wage levels. Reference wage is average base earnings of best 5 consecutive years during last 10 years.

Increment of 1% of earnings per year of employment beyond qualifying period (0.5% for each year exceeding 5).

Reduced pension according to percent of full qualifying period completed (minimum qualifying period: 10 years).

Minimum pension, 235,872 lei a month (for reduced pension, 169,400 lei).

**Supplementary pension:** 7%-16% of reference wage, depending on years of contribution (minimum if 5 years; maximum if more than 25).

Means-tested social assistance available if ineligible for pension.

### Permanent Disability Benefits

**Disability pension:** 49% to 70% of reference earnings depending on length of employment.

Constant-attendance supplement: 49,049 lei a month, only for total disability pension.

Partial disability: 85% or 60% of total disability pension depending on degree of disability.

Reduced pension if at least half of qualifying period completed.

### Survivor Benefits

**Survivor pension:** 1 survivor, 50% of pension paid or payable to insured; 2 survivors, 75% of pension of insured; 3 or more survivors, 100% of pension of insured.

Funeral grant: 800,000 lei (600,000 lei for deceased dependent).

### Administrative Organization

Ministry of Labor and Social Protection, general supervision.

Local social insurance offices, administration of program.

## Sickness and Maternity

First law: 1912.

Current laws: 1958, 1965, 1968, 1990, 1992 and 1997.

Type of program: Social insurance for cash benefits and for medical care.

### Coverage

**Cash benefits:** Employed persons.

**Medical care:** All residents.

### Source of Funds

**Insured person:** 7% of income for medical care.

**Employer:** 7% of payroll for medical care.

**Government:** Subsidies for medical care.

### Qualifying Conditions

**Cash and medical benefits:** No minimum qualifying period.

### Sickness and Maternity Benefits

**Sickness benefit:** 50% of earnings, or 65% if 2-5 years of continuous employment; 75% if 5-8 years; 85% if over 8 years; 100% for certain illnesses, e.g. tuberculosis, or persons injured in the 1989 Revolution. Payable at half-rate for first 3 days of incapacity, full rate from 4th day, until recovery or award of disability or old-age pension.

First 10 working days of sick leave paid by employer. Insurance fund pays from 11th day.

**Maternity benefit:** 50% of earnings, or 65% if 6-12 months of continuous employment; 85% if over 12 months. From 3rd child on, 94% regardless of work history. Payable for up to 52 days before and 60 days after confinement.

Maternity leave: 85% of earnings until child is two years old.

### Workers' Medical Benefits

**Medical benefits:** Medical services provided directly to patients by local health insurance funds.

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

### Dependents' Medical Benefits

**Medical benefits for dependents:** Same as for family head.

**Administrative Organization**

Cash benefits: Ministry of Labor and Social Protection, general supervision.  
 Local social insurance offices, administration of program.  
 Medical services: National Health Insurance Fund, general supervision.  
 Local health insurance funds, administration of program.

**Work Injury**

First law: 1912.  
 Current laws: 1965, 1966, 1968, 1990, 1991, 1992 and 1996.  
 Type of program: Social insurance system.

**Coverage**

Employed persons, apprentices, students during occupational training.

**Source of Funds**

**Insured person:** None.  
**Employer:** See pension contribution above.  
**Government:** Same. Also, whole cost of medical care.

**Qualifying Conditions**

**Work-injury benefits:** No minimum qualifying period.  
 See disability pension for disability criteria.

**Temporary Disability Benefits**

**Temporary disability benefit:** 100% of earnings (from 1st day of incapacity). Payable by employer until recovery or certification of permanent disability.

**Permanent Disability Benefits**

**Permanent disability pension:** 54% to 85% of reference earnings depending on duration of employment and three labor categories.  
 Constant-attendance supplement: 49,049 lei a month, only for total disability pension.  
 Partial disability: 85% or 60% of total disability pension depending on level of disability.

**Workers' Medical Benefits**

**Medical benefits:** Same as for ordinary sickness above.

**Survivor Benefits**

**Survivor pension:** 1 survivor, 50% of pension paid or payable to insured; 2 survivors, 75% of pension of insured; 3 or more survivors, 100% of pension of insured.  
 Eligible survivors: Widow fulfilling certain conditions regarding age and duration of marriage or disabled. Children below age 16 (25 or 26 if student, depending on the duration of studies).  
 Funeral grant: 800,000 lei (600,000 lei for deceased dependent).

**Administrative Organization**

Ministry of Labor and Social Protection, general supervision.  
 County Directorates of Labor and Social Protection, administration of program.  
 Temporary disability benefits paid directly by enterprises.

**Unemployment**

First law: 1991.  
 Current law: 1994.  
 Type of program: Social insurance system.

**Coverage**

Employed persons, and other professional categories provided by law. Job seekers aged over 18 or newly discharged from military, or newly graduated from school or university, who cannot find suitable employment.

**Source of Funds**

**Insured person:** 1% of earnings.  
**Employer:** 5% of payroll.  
**Government:** Any deficit.

**Qualifying Conditions**

**Unemployment benefit:** 6 months of employment in the last 12 months (12 months of employment in the last 24 months for certain categories). Registered at local Labor Office. No income higher than half of indexed national minimum wage.

**Unemployment Benefits**

**Unemployment benefit:** For less than 5 years' employment: 50% of average earnings over the last 3 months; percentage raised by 5% for work history of 5-15 years and additional 5% if more than 15 years. Minimum: 20%, 22% or 24% respectively, of national average wage. For new job seekers having recently completed schooling: 18% of national average wage (20% for university graduates).  
 Unemployment benefit is paid for 270 days, after which an unemployment allowance of 18 months (maximum) is payable at 60% of indexed national minimum wage, under certain conditions provided by law.

**Administrative Organization**

National Office of Employment and Vocational Training, general supervision.  
 Local offices, administration of program.

**Family Allowances**

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:** Whole cost.

**Qualifying Conditions**

**Family allowances:** Child must be under age 16 (18 if disabled or student).

### **Family Allowance Benefits**

**Family allowances:** 65,000 lei per month for each child.

Doubled for totally disabled child.

Supplementary allowance for families with more than one child:  
40,000 lei if two children; 80,000 lei if three children; and 100,000  
lei if four or more children.

Birth grant: 339,788 lei for each birth after the second.

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

Supplementary allowance for wives of military conscripts beginning  
with the 4th month of pregnancy, or if totally disabled, or caring for  
dependent children under age 7: 42,845 lei a month.

Amount of allowance dependant on income and number of  
family members.

### **Administrative Organization**

Ministry of Labor and Social Protection, general supervision.

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