

ROMANIA - COUNTRY REPORT

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EMPLOYMENT STATUS Individuals will be employed by our local representative's company in Romania.

PAYROLL Employees will be placed on our local representative's payroll. Salaries can be paid in EUR or LEI by the final working day of the month.

TAX & SOCIAL SECURITY

In Romania, the employer deducts employee taxes and sends them directly to the state on the employee's behalf. The tax year is the calendar year and taxes are filed quarterly.

Individuals are considered Romanian tax residents if they have their domicile registered in Romania; the centre of their vital interests are in Romania; or reside in Romania for more than 183 days in any 12-month period.

Income tax is 10% of the gross salary, minus employee social security contributions.

Employee social security contributions are 25% of the gross salary for normal working conditions - 3.75% of which is distributed to a pension fund, and 10% of the gross salary is due for social health insurance. Employees may have to pay an additional tax of 4% or 8% if they work in extraordinary working conditions. These conditions include but are not limited to working in mines, working with nuclear material or armaments, shipbuilding, and other high-risk activities.

Employer social security contributions – also known as contributions due by the employer - are 2.25% of the gross salary to cover unemployment, medical leave, occupation risks, and claims that may relate to salary payments.

A pre-employment medical check is mandatory in Romania - our local representative will assist all future employees with this.

IMMIGRATION

The Work Permit (Local Hire) - also known as 'Employment or Labour Approval' - applies to employees hired directly by the Romanian entity, i.e., on Romanian payroll and contract.

Work permits are limited by a quota system. The quota, set at the national level, runs from 1 January every year. For 2021 the number is set at 25,000 workers (a decrease of 5,000 compared with the previous year). If the quota is exhausted, no more work permit approvals can be provided until the following year - unless the Romanian government exceptionally supplements the quota.

The Blue Card is an EU-wide (with some exceptions) immigration process for highly skilled employees with a local job offer in the destination country. In Romania, the salary must be at least twice the average gross monthly salary for a similar position. The process is an Employment Approval (Highly Skilled Workers) followed by a Blue Card residence permit application. The category offers some concrete benefits to the applicant.

EU/EEA/Swiss nationals employed in or assigned to Romania do not need a work permit; however, if the stay in Romania will be longer than 90 days, employees should obtain an EU Registration Certificate. Individuals should also register for a local labour contract or submit a notification of the assignment to the Territorial Inspectorate of Labour.

ABOUT ROMANIA

Capital: Bucharest Dialling code: +40 Currency: Romanian leu Official Language: Romanian

Continent: Europe

Simplifying the business of expansion