



Your guide to empowering workforce excellence

How strategic HR & payroll management
drives business success

forv/s
mazars



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Foreword

At Forvis Mazars, we believe people are a business's greatest strength. The way you manage the relationship with your employee can significantly impact their performance, growth, and long-term success. This guide offers practical insights and strategies to help you navigate the complexities of HR and payroll management to help organisations of all sizes thrive.

One of the key areas we explore is the foundation of the employer-employee relationship, beginning with the importance of crafting effective labour agreements. These agreements serve as the cornerstone of any professional relationship, ensuring that both parties have a clear understanding of their rights, responsibilities, and expectations. We delve into the critical elements of employment contracts that ensure compliance, fairness, and long-term success for both employees and employers.

Understanding the workweek and its associated regulations is key to managing HR and payroll well. In this guide, we break down standard working hours, overtime requirements, and mandatory rest periods. These are not just legal obligations, they are vital for creating a productive, balanced, and sustainable workplace. Our insights will help you balance operational needs with employees' rights to avoid potential pitfalls.

Managing employee time-off is also a central focus of the guide. We emphasize the importance of designing fair and compliant time-off policies, including holidays, sick leave, and vacation days. By ensuring your policies align with labour laws, you can maintain both compliance and employee satisfaction while ensuring that your business remains efficient and well-staffed.

The guide also covers best practices for ensuring accurate and timely compensation. Salary payments

are one of the most significant areas of concern in HR and payroll management. We provide you with critical considerations for managing payroll in a way that guarantees employees are paid correctly and on time, while also adhering to tax, social security, and other regulatory requirements.

Finally, we address the crucial topic of attracting and retaining top talent through competitive benefits packages. In today's competitive job market, offering comprehensive and attractive benefits is key to retaining high-performing employees. This guide will help you design benefits packages that not only comply with legal requirements but also reflect the needs and expectations of a modern workforce.

This material is designed to support you in managing HR and payroll effectively, while ensuring these practices align with your company's broader business goals. By doing so, you build a solid foundation for growth, inspire a motivated and engaged workforce, and secure the long-term success of your business.

Together with my colleagues, we are committed to empowering organisations to build a stronger, more successful workforce for the future.



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The foundation of the employer-employee relationship: crafting effective labour agreements



1. Who must sign the labour agreement?

The labour agreement must be signed by authorised individual (such as the Administrator, General Manager, or other designated individuals) and the employee. The agreement must also be registered in General Register of Employees - REGES-ONLINE at least one day before the start date of the activity.

2. How can the labour agreement be signed?

The parties may choose to use either an advanced or a qualified electronic signature for concluding, amending, suspending, or terminating the individual labour agreement. The general rule is that both parties must use the same type of signature, whether it be a handwritten or electronic signature.

The employer cannot require the prospective employee, or the employee in question, to use an advanced or qualified electronic signature.

Please note that, according to legislation, labour agreements must be concluded in Romanian. In practice, the use of a bilingual labour agreement is often agreed upon; however, in the event of inconsistencies between the Romanian and English versions, the Romanian version shall prevail.

3. Can you please advise on the types of labour agreements that are allowed? Fixed term or permanent?

As a general rule, labour agreements in Romania must be concluded for an indefinite duration (permanent). Exceptions for fixed-term agreements are specified explicitly in the law, including situations such as the replacement of an employee whose labour agreement is suspended, temporary changes to the employer's activity, the progression of seasonal activities, or if the employee meets retirement conditions within five years from the date of employment.

4. Does the employer have any obligations before signing the labour agreement?

Yes, the employer is required to obtain a confirmation sheet from the occupational medicine doctor attesting that the future employee is fit to work before the start date of the employee's activity. If the employer fails to comply with this requirement, the labour agreement may be considered null and void.

Additionally, employers are required to inform the Unemployment Agency/ National Employment Agency about all vacancies within five working days of their creation. They must also notify the Unemployment Agency/ National Employment Agency if any of the reported vacancies have been filled, within one day of their occupancy. All correspondence with the Unemployment Agency is conducted online.

5. Can you please list all the documentation and requirements needed for newcomers?

Copies of the following documents are required:

- ID card;
- Labour medicine confirmation sheet;
- Latest relevant diploma or degree;
- Employee statements regarding health insurance, dependents, and any other specific information (e.g., disability certificate);
- Children's birth certificate, if the case and if necessary;
- Marriage certificate/ divorce decree, if the case and if necessary;
- Certificate of contributory period from the former employer, where applicable;
- Termination notice from the former employer; criminal record (only for certain job titles, for example, warehouse operative/treasurer, etc.).

When requesting documents, the employer should ensure that these align with current legislative requirements.

The foundation of the employer-employee relationship: crafting effective labour agreements

6. When do you need to inform the newcomer?

You need to inform the newcomer before the start date of their activity. The labour agreement must be signed, registered, and an original copy must be handed over to the employee at least one day prior to the start date.

7. What is the General Register of Employees - REGES-ONLINE?

The employer is required to maintain electronic records in which all employees are registered and to inform the Labour Authority regarding new employees, modifications to existing labour agreements, and the suspension or cessation of labour agreements as follows:

- The labour agreement: at least one day before the start date.
- Changes to the labour agreement: before the effective date of the changes.
- Change in salary: within 20 working days from the date of the modification
- Termination or reactivation of the labour agreement: at least one day before the suspension or reactivation date.
- Cessation of the labour agreement: on the cessation date, at the latest.
- Transfer: within five working days from the date of transfer or the date of taking over through transfer.
- Secondment and transnational secondment: at least one day before the change occurs.
- Sick leaves: within 3 working days from the date of registration with the employer.

8. How is the labour agreement communicated to the Labour Authority?

Information about a labour agreement is submitted online to the Labour Authority by reporting it in Reges Online. This report will also be visible to the employee in real time. To access the REGES Online platform, employers must authenticate either via

the ROeID app or with a qualified digital signature. Account creation is done on the official website <http://reges.inspectiamuncii.ro>, where the employers will enter their personal details and follow the verification steps. Authorization is automatic for legal representatives registered with the Romanian Trade Registry.

9. Can the employer outsource the registrations mentioned above in the 7th and the 8th questions?

Yes, employers can outsource the service of completing and transmitting data to the register by entering into a service agreement with providers. In this case, employers are required to notify the Territorial Labour Inspectorate about the service agreement and offer the identification details of the provider within three working days from the date of signing the agreement.

10. What should be mentioned about the employee's job title in the labour agreement?

The labour agreement must specify a job title that is in accordance with the Job Titles Classification in Romania (C.O.R.).

11. How many fixed-term labour agreements can be issued?

A maximum of three fixed-term labour agreements can be issued. Special situations will require appropriate analysis.

12. What are the probation and notice periods for indefinite and fixed-term labour agreements?

The probation period for an indefinite labour agreement cannot exceed:

- 90 calendar days for non-managerial positions;
- 120 calendar days for managerial positions.

The probation period for a fixed-term labour agreement cannot exceed:

- 5 working days for an agreement duration of up to 3 months;
- 15 working days for an agreement duration between 3 and 6 months;
- 30 working days for an agreement duration exceeding 6 months;
- 45 working days for managerial positions if the agreement duration exceeds 6 months;
- 45 working days for employees with disabilities.

A new probation period cannot be established if, within 12 months, a new individual employment and agreement is signed between the same parties for the same position and responsibilities.

Additionally, employers are required to specify the terms and conditions of the probation period within each individual labour agreement.

Notice period in case of dismissal:

- Minimum of 20 working days for all job titles, regardless of whether the labour agreement is for a fixed or indefinite duration*.

Notice period in case of resignation:

- For non-managerial positions: up to 20 working days;
- For managerial positions: up to 45 working days.

During the probation period, the labour agreement may be terminated by simple notification from either party, without providing a reason and without a notice period.

13. Can you please list all types of labour agreement termination?

- Rightfully;
- Based on mutual consent, effective on the agreed date;
- As a result of one of the parties' unilateral will, in the cases and under the limitation terms stipulated by the law (resignation, dismissal, etc.).

Regardless of the legal basis for employment contract termination, the employer must issue a seniority certificate upon termination, along with a report from the electronic employee register. Former employees often also require a liquidation note and a contributory period certificate.

Additionally, please note that the employer is required to issue any documents certifying the employee's activity, seniority, and salary within 15 days of a written request.

14. When do you need to inform the leaver?

The timing for informing the leaver depends on the type of termination. For the suppression of the employee's position, notice must be given at least

20 working days in advance, although this may vary depending on whether the dismissal is individual or collective. In cases of professional inadequacy, an evaluation procedure is required. For disciplinary dismissals, a disciplinary committee must be organized to investigate the misconduct thoroughly.

Additionally, if a Collective Labour Agreement applies, its provisions must also be considered.

15. Is a non-competition clause allowed in the labour agreement?

Yes, a non-competition clause is permitted. This clause becomes effective only after the termination of the labour agreement and lasts for no more than 2 years. The employer is required to pay a monthly non-competition allowance (taxable) equal to at least 50% of the employee's average earnings during the last 6 months of employment. If the duration of the individual labour agreement is less than 6 months, the non-competition allowance is based on at least 50% of the employee's average earnings throughout their employment.

The foundation of the employer-employee relationship: crafting effective labour agreements

Additionally, several other mandatory elements must be included in this provision to comply with Romanian labour legislation. These elements include:

- The activities prohibited to the employee after the termination of the agreement;
- The amount of the monthly non-competition allowance;
- The duration of the non-competition clause;
- The third parties in favour of whom the employee is prohibited to perform the restricted activities;
- The geographical area where the employee is not allowed to compete with the employer.

16. Can other clauses be mentioned in the labour agreement?

Yes, in addition to the non-competition clause, other specific clauses may be negotiated and included in the individual labour agreement, such as, but not limited to:

- Vocational training clause;
- Mobility clause;
- Confidentiality clause, etc.

17. Can employees have several labour agreements?

Yes, employees have the right to work for different employers or the same employer under multiple individual labour agreements, provided they receive the corresponding salary for each agreement without overlapping working hours.

18. What do tailored working schedules mean?

The employer may establish tailored working schedules with a flexible setup of working hours. The legal provisions define the flexible organisation of working hours as the opportunity for employees to adapt their working hours, which may include remote working arrangements, flexible work schedules, individualized work schedules, or short time working schedules.

19. Can the employer refuse the tailored working schedule requested by an employee?

Yes, the employer can refuse the tailored working schedule requested by an employee. However, the employer's refusal must be justified in writing within five working days of the request.

20. When is the Collective Labour Agreement negotiation required?

Collective bargaining for the conclusion of a collective labour agreement is mandatory for all employers who have at least 10 employees. The initiative to negotiate the collective labour agreement can belong to any of the parties (employer or employees' representatives/union organisations).

If both parties (the employees' representatives and the company's representatives) agree upon the negotiated clauses, the Collective Labour Agreement must be prepared and registered with the Territorial Labour Inspectorate. Collective Labour Agreement can only be concluded for a fixed period, between 12 and 24 months, with the possibility of extension by mutual agreement, once, for a maximum of 12 months.

21. Is Internal Regulation mandatory?

Yes, Internal Regulation is mandatory. It is a compulsory document that establishes the rules to be observed by both the employer and the employees. The document must be drawn up by the employer and brought to the attention of its employees on their first day of employment. The notification of the employees in respect of the provisions of the Internal Regulation can be delivered in either paper or electronic format.

Although the Labour Code regulates the relations between employees and employers, an internal regulation is necessary because it contains specific rules and procedures to be followed within the company that the Labour Code cannot include.

22. Does the employer have any obligations regarding workplace harassment and preventive measures? Can you advise?

Yes, employers are required to develop internal policies and documentation to comply with regulations on preventing and combating harassment based on gender, as well as workplace harassment.

- The employer's obligations include:
- Developing a guide for preventing and combating gender-based and moral harassment at work;
- Appointing a person or committee responsible for receiving and addressing harassment cases in the workplace;
- Establishing a register for reporting cases where complaints and referrals will be recorded;
- Incorporating the provisions of Government Ordinance No. 137/2000 on the prevention and sanctioning of all forms of discrimination and Law No. 202/2002 on equal opportunities and treatment between women and men into the internal regulations;
- Informing and training employees to raise awareness and prevent harassment by organizing annual training courses on legislative provisions.
- Disseminating the methodology through all internal means of communication and information for employees.

Not complying with the obligations to take the necessary measures to prevent and combat gender-based and moral harassment in the workplace may expose the Company to fines.



Navigating the workweek:
understanding standard hours, overtime, and rest periods



23. What are the average working hours per week? Is there a maximum of hours per day?

The average is 8 hours per day and 40 hours per week, with a maximum of 48 hours per week, including overtime. After working 12 hours in a single day, 24 hours of rest is required.

24. Is it mandatory to keep records of each employee's daily working hours?

Yes, employers are required to keep records of each employee's daily working hours, including start and end times. These records must be presented to labour inspectors upon request.

25. Is part-time work common practice? Can you provide us with the part-time rate?

Yes, part-time work is common, typically ranging from 1 to 7 hours per day.

Please note that overtime is not permitted for part-time employees. Non-compliance with this regulation may result in fines ranging from RON 10,000 to RON 15,000 per employee, up to a maximum of RON 200,000.

26. What is considered overtime, and how is it calculated and compensated?

Overtime refers to any work performed beyond the standard 40-hour work week (part-time employees are not permitted to work overtime).

The overtime is to be compensated with paid time off in the next 90 calendar days. If the compensation with paid time off is not possible, the overtime performed is to be paid with an increment of minimum 75% of the monthly gross salary, prorated based on the time worked.

27. What is considered work during weekends and weekly rest, and how is it calculated and compensated?

According to the Romanian Labour Code, employees are entitled to 48 consecutive hours of weekly rest, typically on Saturdays and Sundays. However, if providing rest on these days would disrupt public interest or business operations, rest days may be scheduled on other days as specified in the collective labour contract or internal regulations.

When weekly rest is granted on alternative days, employees are entitled to an additional wage increment, as determined in the collective or individual employment contract.

It is important to note that work during weekly rest days is not considered overtime. For example, employees with a regular Monday-to-Friday schedule are generally not allowed* to work on weekends, and if they do, it is not classified as overtime under Romanian law.

**Weekly rest time can only be suspended in special cases and must comply with the specific conditions outlined in the Romanian Labour Code.*

28. What is considered work during public holidays, and how is it compensated?

Work during public holidays is compensated for with paid time off in the next 30 calendar days. If the compensation with paid time off is not possible within 30 calendar days, the work during public holidays should be paid to the employee by adding an increment. The increment for the work during public holidays, granted under the terms stipulated above, may not be lower than 100% of the monthly gross salary, prorated based on the time worked during a public holiday.

Managing employee time-off:
ensuring compliance and fair time-off policies



29. What is the annual holiday entitlement?

Employees are entitled to a minimum of 20 working days of paid holiday per year. Those working in difficult, dangerous, or harmful conditions, as well as blind or other disabled employees and young employees under the age of 18, are entitled to an additional minimum of 3 working days of leave.

30. Are holidays granted in the first year of employment?

Yes, employees are entitled to holiday leave in their first year of employment, calculated on a pro-rata basis according to the period worked.

31. What is the procedure for granting unpaid leave?

For personal emergencies, employees are entitled to unpaid leave. The employee must submit an official request, and a suspension decision is to be prepared, following the employer's approval.

The maximum number of days for unpaid leave will be regulated by the employer through the Internal Regulation document.

32. What happens if holiday entitlement is not used within a year?

Vacation days should generally be used within the calendar year. However, if the employee is unable to take their full annual leave for justified reasons, the employer is required to grant the unused leave within 18 months of the end of the year in which the leave entitlement was accrued.

33. Unexcused absences

Unjustified absences may lead to the suspension of the employment contract and are considered misconduct. Such absences are subject to investigation as part of the disciplinary procedure.

34. What is the common practice for days off for special events such as marriage, birth, or death in the family?

Employees are entitled to paid days off for significant family events. The specific events and the number

of days off granted are outlined in the Internal Regulations document provided by the employer. Here are some examples:

- **Employee's marriage:** 5 days;
- **Marriage of a child:** 2 days;
- **Birth of a child/Paternity Leave:** 10 days + 5 additional days if the father obtains an infant care certificate (these days are mandatory). The father is entitled to this leave for each newborn child, based on the certificate of completion of the childcare course, regardless of when the certificate was issued;
- **Death of spouse, child, parents, or parents-in-law:** 2 days;
- **Death of grandparents, brothers, or sisters:** 2 days;
- **Blood donors:** Days off as per current legal provisions;
- **Change of workplace due to employer relocation:** 5 days;
- **In vitro fertilization procedures:** 3 days, in accordance with legal provisions;

35. Accommodation leave

Accommodation leave is granted to employees who decide to adopt a child and may not exceed 2 years, including the custody period for adoption. During this time, the employment contract is suspended, and the employee receives an accommodation allowance provided by the state.

Additionally, employers are required to grant paid days off for employees who are adopting, allowing them to complete necessary assessments for obtaining the adoption certificate and to achieve practical suitability. This leave is provided without wage reduction, up to a maximum of 40 hours per year.

Managing employee time-off: ensuring compliance and fair time-off policies

36. What about childcare leave?

Individuals who have earned a salary for at least 12 months in the 2 years prior to a child's birth are entitled to childcare leave for raising the child, which can last up to 2 years, or up to 3 years in the case of a disabled child. During this period, they also receive a monthly allowance. *

The monthly allowance is calculated as 85% of the average net income earned during the last 12 months of the 2 years preceding the child's birth.

The minimum amount of the monthly allowance cannot be less than the amount resulting from multiplying the reference social indicator by 2.5. Conversely, the maximum amount of the allowance is capped at RON 8,500.

This allowance is paid directly by the state, and the employment contract is suspended during the leave.

**Special situations may require appropriate interpretation.*

37. What are the regulations regarding sick days?

Sick leave is paid based on a medical certificate issued by a physician. Employees must notify their employer of their condition within 24 hours of the certificate being issued. If the illness occurs on non-working days, the employee should inform the employer on the first working day following the illness.

Additionally, there may be instances where the medical leave certificate is issued at a later date (e.g., in cases such as COVID-19).

38. Is the salary maintained during sick days?

As a rule, the first 5 calendar days are paid by the employer, and the next days are calculated and paid by the employer and recovered from the Health Insurance Authority. There are also exceptions.

The sick leave allowance ranges between 55% and 100% of the calculation base (average of the employee's revenues during his last 6 months of activity).

Compensation for temporary incapacity for work caused by common illnesses or accidents outside of work is determined for each episode of illness, depending on the duration of the sick leave, by applying the following percentages to the calculation basis determined in accordance with the law:

- 55% for sick leave certificates issued for a period of up to 7 days of temporary incapacity for work;
- 65% for sick leave certificates issued for a period of between 8 and 14 days of temporary incapacity for work;
- 75% for sick leave certificates issued for a period of more than 15 days of temporary incapacity for work.

39. What is the regulation for maternity leave?

Maternity leave consists of 126 calendar days, typically divided into 63 days before and 63 days after the birth. During this period, the employee receives 85% of the calculation base, which is based on the average of her earnings during the last 6 months of employment.

Note: Maternity leave is different from childcare leave.

40. Is the salary maintained during maternity leave?

The maternity leave allowance is calculated and paid by the employer, who then recovers the costs from the Health Insurance Authority. This allowance amounts to 85% of the average income earned in the 6 months preceding the month in which the maternity leave is issued. The maternity leave allowance is subject only to a social security contribution of 25%.

41. What is vocational training leave?

Vocational training leave can be either paid or unpaid. If the employee initiates the leave, they must submit a request to the employer at least 1 month prior to the start of the training. This request should include the training start date, the area of activity, and the name of the training institution.

If the training is provided by the employer, the absence period is considered a paid day off.

Additionally, according to the Labour Code provisions, employers are required to ensure professional training for all employees. If an employer fails to meet this obligation and does not cover the employee's participation in professional training classes, the employee is entitled to paid vocational training leave of up to 10 workdays or 80 hours, paid by the employer.

42. What are the public holidays in Romania?

The Romanian legal holidays calendar for 2026:

- 1 January (Thursday) – New Year;
- 2 January (Friday) – New Year;
- 6 January (Tuesday) – Epiphany;
- 7 January (Wednesday) – Synaxis of St. John the Baptist;
- 24 January (Saturday) – Romanian Principalities Unification Day;
- 10 April (Friday) – Good Friday;
- 12 April (Sunday) – Orthodox Easter;
- 13 April (Monday) – Orthodox Easter;
- 1 May (Friday) – Labour Day;
- 31 May (Sunday) - Orthodox Pentecost;
- 1 June (Monday) – International Children's Day& Orthodox Pentecost;

- 15 August (Saturday) – Assumption of the Virgin Mary;
- 30 November (Monday) – Saint Andrew;
- 1 December (Tuesday) - National Day of Romania;
- 25 December (Friday) – Christmas;
- 26 December (Saturday) – Christmas;
- 2 days for each of the 3 annual religious holidays, thus declared by the legal religious cults, other than the Christian ones, for the persons belonging to them.

43. Are there additional leave absences for employees?

Yes, there are new types of leave:

- **Carer's leave** (5 working days in a calendar year, at the written request of the employee, to provide personal care/support to a relative/person living in the same household who needs care/support, following a serious medical condition); the Labour Code defines the categories of people who can be considered as relatives when granting carer's leave to the employee;
- **The absence from work in unexpected circumstances** (maximum of 10 working days in a calendar year, provided with the condition that the employer is informed in advance and that the period of absence is fully recovered based on the parties' agreement).



Ensuring accurate and timely compensation: critical considerations for salary payments



44. How many salary payments are made per year and in a month?

Typically, employees receive one salary payment per month, totaling 12 payments per year. However, employers may choose to implement a different payment schedule, such as twice a month, resulting in 13 payments per year, provided this policy is established. Regardless of the payment frequency, there must be at least one payment made each month.

45. How is the payslip usually provided to the employee?

Payslips are typically handed over in person. However, they can also be sent via email, preferably in a password-protected format, or accessed through a secure portal where the employee can log in using a username and password (employee self-service).

46. When an employee is leaving the company, how and when does the final payment take place?

The final payment is made on the date specified in the labour agreement (e.g., at the end of the month)

unless otherwise agreed upon by the parties in the termination decision. Any unused vacation days must also be compensated in the employee's last payment, as this is the only circumstance in which remaining annual leave days can be paid out.

47. Do we have to pay for a new starter in the same month of employment?

The salary must be paid at the payment date settled in the labour agreement. Even if the payment date occurs in the following month, the employee has the right to receive the salary for the period starting with the first day of work.

48. Is there a mandatory pay date for salaries?

No, the employer can set the payment date through the employment contract and Internal Regulations (e.g.: end of the month, the 5th day of the following month, or even until the 10th – 15th day of the following month).

49. How is the pension submitted? Is it mandatory?

Yes, the pension contribution to the public system is included in the payroll. Special situations will need appropriate analysis.

50. Is medical insurance mandatory?

Yes, the contribution to the public health insurance system is included in the payroll. Special situations will need appropriate analysis.

51. Is income tax mandatory?

Yes, income tax is mandatory and is included in the payroll. However, special situations, such as those involving disabled persons, and personal deductions, require appropriate analysis.

52. Are there any economic conditions applicable to determine the salary of an employee?

Employers must establish at least the minimum gross salary required in Romania for each employee. As of January 2025, the minimum gross salary is RON 4,050, based on a standard working schedule of 8 hours per day and 40 hours per week. Additionally, the minimum gross salary in the construction sector, effective 1 January 2025, is RON 4,582 for a full-time employment contract.

53. What are the taxes due for salary rights, by the employee/employer?

Taxes due by the employee:

- **Social security contribution (pension):** 25%;
- **Health insurance contribution:** 10%;
- **Income tax:** 10%.

Taxes due by the employer:

- **Insurance contribution for work:** 2.25%;
- **Disability fund:** 4% of the average number of employees* minimum gross salary (due in case the average number of employees is at least 50). As an alternative, the employer can hire an equivalent

number of persons with disabilities. Also, the Employer can purchase products/ services from the protected units, as per the provisions stipulated by the law;

- **Social contribution:** 4% due in case of particular working conditions or 8% due in case of special working conditions.

For part-time employment contracts where the gross monthly income on which individual social contributions are due (pension contribution of 25% and health contribution of 10%) is below the minimum gross wage, the obligation to pay individual social contributions at the level of the minimum wage has been reintroduced. This applies to the number of working days in the month during which the contract was active, with the difference in individual social contributions borne by the employer on behalf of the employee.

Employees exempt from paying individual social contributions at the level of the minimum gross wage include:

- Students under 26 years old;
- Employees with disabilities or other individuals allowed by law to work less than 8 hours a day;
- Retired individuals for the age limit in the public pension system;
- Employees earning during the same month salary-related income from two or more individual employment contracts, and whose cumulative monthly calculation base is at least equal to the gross minimum wage.

54. Can an employee in Romania register their spouse or parents as co-insured under the public health system?

No, current legislation no longer allows employees to register their spouse or parents as co-insured. They can only access public healthcare services if they pay their own health insurance contribution, which is set at 10% of the value of 6 gross minimum wages

Integrating pay transparency:
ensuring fair and compliant remuneration structures



55. Does the EU Pay Transparency Directive apply only to companies with more than 100 employees?

No. While the reporting obligations on the gender pay gap apply progressively based on company size (starting with employers with 250+ employees and gradually extending to those with 100–249 employees), the core principles of pay transparency — such as the right to pay information, pay setting transparency, and the prohibition of pay discrimination — apply to all employers, regardless of headcount.

In other words, smaller employers must still ensure equal pay for equal work or work of equal value and comply with transparency obligations during recruitment and employment.

56. Will organisations be required to disclose salary levels for all employees?

No, the Directive does not require employers to publish individual salary levels. However, employees will have the right to request information on their individual pay level and on average pay levels, broken down by gender, for employees doing the same work or work of equal value.

Additionally, employers must report aggregated pay gap data (internally and to authorities) once they fall within the size threshold, and must disclose pay ranges in job postings or before interviews.

57. How will salary negotiations work if pay ranges must be disclosed before recruitment discussions?

Employers will need to indicate the initial pay level or pay range in the job posting or before the first interview. This does not eliminate negotiation but frames it within a transparent range.

Candidates can still negotiate based on experience, skills, and additional value they bring, but the employer must be able to explain and justify any offer that falls outside the pre-announced range.

This approach promotes fairness and helps reduce unexplained pay gaps.

58. Will it be mandatory for companies to have a formal remuneration policy that is shared with employees?

Yes, indirectly. The Directive requires employers to ensure transparency in pay structures and to communicate the criteria used for determining pay and pay progression.

Having a written remuneration policy helps demonstrate compliance, supports internal consistency, and facilitates employee understanding of how pay is determined. While it does not have to be fully public, key elements (such as pay bands, criteria, and evaluation principles) should be accessible to employees.

59. Does applying objective and gender-neutral criteria to salary ranges mean that companies must define criteria for different pay levels both within and between salary grids?

Yes. The Directive requires employers to ensure that pay structures, including salary ranges and progression criteria, are based on objective, transparent and gender-neutral principles.

This means:

- Within salary grids: employers must apply clear criteria to justify any differences in base pay levels for employees performing the same or equivalent work (e.g., years of experience, level of performance, tenure, specific competencies, etc.).
- Between salary grids or pay levels: employers must define the rationale for differences between distinct positions or grades (e.g., work environment, required competencies, level of responsibility, complexity of work, impact on the business, etc.).

In practice, employers should use a documented job evaluation methodology or grading framework that defines how roles are compared, how unique positions are placed within the structure, and how movement at individual level both across and within pay levels occurs, ensuring compliance with the equal pay principle.

Attracting and retaining top talent: designing competitive benefits packages



60. Do we have to provide complementary private health care?

No, employers are not required to provide complementary private health care. However, there is an obligation to establish (I) occupational medicine agreements and (II) occupational health and safety agreements with specialized service providers before the employee's start date.

Of course, employers may choose to offer complementary private health care plans to their employees if they wish.

61. Does the employer have to take charge of lunch or part of it?

No, employers are not required to cover the cost of lunch or part of it. However, there is a meal voucher

system that allows for a maximum value of RON 40.04 per worked day (excluding business travel). The value of these meal vouchers is subject only to a health insurance contribution tax of 10% and an income tax of 10%, provided they are granted in accordance with legal provisions.

62. Is the lunch break mandatory?

Yes, a lunch break is mandatory for employees whose daily working time exceeds 6 hours. They are entitled to a lunch break and other breaks as established in the Internal Regulation.

Additionally, employees under 18 years old are entitled to a break of at least 30 minutes if their daily working time exceeds 4 hours and 30 minutes. These breaks are not included in the normal working hours unless otherwise specified in the Internal Regulation.



63. Bonus:

Is a quarterly bonus accepted?

Any particular requirements for the calculation?

Any other benefit we should know about?

Yes, any kind of bonus is accepted and is taxable in the same way as salaries.

Employers can grant non-taxable benefits, such as compensations for births, funerals, or natural disasters, as specified in the labour agreement or internal regulations, in accordance with the Fiscal Code provisions.

Additionally, gifts, including gift vouchers, offered by employers to employees and their minor children

during occasions such as Easter, Christmas, and other religious celebrations are non-taxable, provided that the value does not exceed RON 300 per person for each occasion. Gifts offered to employees' minor children on 1 June are also non-taxable if the value does not exceed RON 300 per child.

64. Which kind of costs (travel/ medical) can be reimbursed via payroll?

Only payroll related expenses can be reimbursed via payroll.

Attracting and retaining top talent: designing competitive benefits packages

65. What other benefits can the employer provide to employees?

The benefits that an employer can grant vary depending on the budget allocated for this purpose. Here are some examples:

- **Meal vouchers** - are granted monthly for the days worked by the employee and the maximum value of a meal voucher is RON 40.04. Meal vouchers are exempt from paying salary contributions, being taxed at only 10% income tax and 10% health insurance contribution, if granted according to the legal provisions.
- **Cultural vouchers** - can be granted monthly or occasionally, for the purchase of cultural goods and services (books, tickets for concerts/theatre/exhibitions/fairs, etc.). The maximum level of amounts awarded as cultural vouchers may not exceed the amount of:
 - RON 240 for the cultural vouchers granted monthly;
 - RON 470/event, for those granted occasionally.

Cultural vouchers are exempt from paying salary contributions, being taxed at only 10% income tax if granted according to the legal provisions.

- **Gift vouchers:** if they are granted within the limits and occasions mentioned at point 63 above, they are exempt from the payment of salary contributions and income tax. If they are granted for other occasions or their value exceeds RON 300/event, they will be taxed with salary contributions and income tax.
- **Nursery vouchers:** may be monthly granted to employees who do not benefit from the leave and allowance granted for raising a child up to 2 years, respectively 3 years in the case of a disabled child, for the payment of fees at the nursery where the child is enrolled. The value of the monthly amount that can be granted as nursery vouchers is RON 710 for each child at the nursery. Nursery vouchers are exempt from paying salary contributions, being taxed at only 10% income tax if granted according to the legal provisions.

- **Holiday vouchers:** granted to cover expenses for a vacation only in Romania. The maximum level of the amount that can be granted to an employee, during a fiscal year, as holiday vouchers, is 6 minimum gross base salaries. Holiday vouchers are taxed with 10 % income tax and 10 % health insurance contribution, if granted according to the legal provisions.
- **Vocational training:** the amounts are exempted from the payment of salary contributions and income tax if the vocational training is related to the activity carried out by the employee, as it is mentioned in his job description.

Special situations will need appropriate analysis.

Starting from January 2024, the types of benefits that employers can grant to employees and consider non-taxable have changed. These benefits will be non-taxable only if their total value per month does not exceed 33% of the gross monthly salary of the entitled employee.

At the same time, there is an individual ceiling for each type of benefit included in this category that must be considered to apply to the fiscal facilities. In the first stage, the employer must assess the individual cap for each benefit. Then, they should analyze whether the total monthly value of the benefits granted to the employee in this category does not exceed the overall cap of 33% of the gross monthly salary. Only then can these benefits be granted as non-taxable amounts.

The following benefits are included in this category:

- **Mobility allowance:** up to 2.5 times the legal level established for delegation/secondment allowances, according to the law.
- **Food provided by the employer:** the value of food provided to employees is non-taxable, but only up to the maximum value of one meal ticket per employee per day, applicable when meal tickets are not issued.
- **Accommodation and rent compensation:** for employees, up to a monthly limit of 20% of the minimum gross wage, as per the Fiscal Code provisions.

- **Tourist and treatment services:** costs for tourist and/or treatment services, including transportation during holidays for employees and their family members, as stipulated in the individual employment contract, internal regulations, or special laws, are capped at an annual limit equal to the average gross salary for that year. This provision does not apply to employees who receive holiday vouchers in accordance with current legislation.
- **Voluntary health insurance and medical subscriptions:** costs borne by the employer for employees, up to €400 per year per employee.
- **Voluntary pension fund contributions:** contributions made by the employer for employees, up to €400 per year per employee.
- **Sports subscriptions:** costs borne by the employer for employees, up to €100 per year per employee.

- **Placement of employees' children in early education units:** amounts paid by the employer, within the limit of RON 1,500 per month for each child.
- **Favorable interest rate differences:** the difference between the preferential interest rate (negotiated) and the market interest rate for loans and deposits.

It is the responsibility of the employer granting these benefits to establish the order of priority regarding the inclusion of these amounts in the non-taxable monthly limit.

Any value of the listed benefits that exceeds the 33% ceiling of the gross monthly salary is considered salary-related income and is subject to a salary income tax of 10% and social security contributions (both employee and employer).

This version of the document will undergo transformations depending on the latest legislative changes. The information provided does not represent consultancy on aspects

regarding labour legislation and remuneration, but general information. To clarify a specific topic, please stay connected with your Forvis Mazars representative.



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