

COMPENSATIONS AND PENSION BENEFITS GRANTED BY THE ROMANIAN SOCIAL INSURANCE SYSTEM

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Faculty Disclosure

x	No, nothing to disclose

- **The Romanian Government's social insurance strategy achieved one of its major goals by according to the EU requirements, entrusting the management of the public pension scheme to an autonomous body the National House of Public Pensions.**
- **Improving the effectiveness of the policy making, consolidating the benefit programs and enhancing equity of the social insurance system is the key rationale of The Government's strategy.**

Benefits awarded under the current social insurance legislation, revealing the improved performance of the system:

- A. Old age pension;
- B. Early pension and partial early pension;
- C. Disability pension;
- D. Survival pension

Each type of benefit use the same parameters:

- Eligibility criteria (age, minimum period for insurance vs. non-contribution related benefits)
- Recertification criteria
- Documentary evidence
- Operational procedures
- Decision making flow

A. Old age pension

- *The qualifying conditions* are based on
 - ❖ *Legal retirement age (pensionable age)*
 - ❖ *Contribution periods* to social insurance (which are rising gradually by 2015)

Old age pension

➤ *Legal retirement age*

- 65 for men
- 63 for women

➤ *Contribution period (minimum)*

- 15 years for both men and women
- The current statutory contribution period for full old-age pension is 35 years for both men and women

Old age pension

- Lower age and contribution periods requirements apply to:
 - ✓ Employed persons with individual labor contracts
 - ✓ Civil servants
 - ✓ Officials with the executive, legislative and judicial authorities

Old age pension

- *Legal retirement age* → 60 for both men and women
- *Minimum contribution period* → 20 years
- *Full contribution period* → 30 years

B. Early pension and partial early pension

Early pension

Partial early pension

- Paid from up to 5 years before the normal retirement age if the insured's number of paid contributions exceeds the number of contributions required for the full pension by at least 8 years
- Credit covered periods are not taken into account for pension calculation

C. Disability pension

- A person who is insured in the public system of pension scheme is entitled to a disability pension in the event that *he/she loses at least half of his/her working capacity* as a result of an *injury or disease* (including employment injuries- work related accidents and occupational diseases)

Disability pension

- **For students and apprentices, only disabilities resulting from work are covered**
- **Also, the revolutionaries (Revolution from December 1989), war veterans and political prisoners, who were enrolled in a social insurance system before the date of the occurrence of disability are allowed to receive disability benefits**

Disability pension

- There are currently 3 degrees of disability:
 - **1st degree** corresponds to an incapacity for any work requiring constant attendance
 - **2nd degree** refers to an incapacity for any work, but not requiring constant attendance
 - **3rd degree** implies the loss of at least half of the working capacity, the disabled person still being able to perform a professional activity

Disability pension

- This condition is waived if the disability is the result of :
 - ✓ Employment injury,
 - ✓ Occupational disease
 - ✓ TB
 - ✓ Neoplasia
 - ✓ Schizophrenia
 - ✓ AIDS
 - ✓ Occurs while military obligations are being fulfilled

Disability pension

- Also, the blind disability pensioners and those with permanent disability are entitled to disability pension if they acquired at least half of the contribution period
- Non contributory periods, like periods of receiving disability pensions or temporary working incapacity indemnity, periods of full-time university courses attendance under graduation condition are taken into consideration when calculating the contribution period

Disability pension

- **The pension is determined by :**

- The length of the contribution period
- Level of earnings
- Degree of disability (all of being variables, characteristic to each insured person)
- Pension point value (constant item)

Disability pension

- An insured person who is assessed with a 1st degree of disability is also entitled to an *attendant indemnity*, which is equal to 80% of the pension point value
- The pensioner may claim the pension recalculation any time he/she acquires a new contribution period

Disability pension

- **In the event that a disability pensioner meets the eligibility criteria for more than one type of pension, he/she has the right to choose the most advantageous pension**
- **The attendant indemnity will continue to be paid under either option**

Disability pension

- **A claimant must apply for the disability pension from the relevant county house of pensions, which are subordinated to the National House of Public Pensions**
- **The degree of disability is then assessed and certified by the social insurance expert physician from the same county house of pensions**

Disability pension

- **Periodical review takes place in order to assess the health evolution of the pensioner and to decide whether the degree of disability:**
 - **needs to be changed (in other degree of disability)**
 - **is maintained, or**
 - **the rehabilitation of the work capacity is complete**

Disability pension

- **Depending on the type of affection, the reevaluation takes place every 1 to 3 years, until the pensioner reaches the standard retirement age**
- **The irreversible disability pensioner, as well as the one up to 5 years younger than the standard retirement age and who achieves the full contribution period, are exempted from passing the periodical checking.**
- **A review is also possible on request, if the health condition improves or weakens.**

E. Survivor benefits

- The insured was eligible for a pension or was a pensioner at the time of death
- Eligible survivors are:
 - a *widow(er)* who satisfies age and marriage conditions (if the length of marriage was at least 15 years)
 - has a disability (1st or 2nd degree, if the length of marriage was at least 1 year, regardless of age)→ waived if the death is caused by a work accident, an occupational disease, TB)
 - if the survivor has a dependent child younger than age 7)

Survivor benefits

- ***Children*** up to age 16 (age 26 if the child is a student, depending on the duration of studies; no limit if he/she is disabled)
- A limited pension is paid for 6 months to a low-income uninsured spouse who does not satisfy the age and marriage conditions.

Other benefits

- Sickness benefits
- Maternity benefits
- Child care allowance
- Funeral grant
- Work injury
- Unemployment
- Family allowances

Conclusion

- Each country applies its national criteria , under their legislation , when deciding the degree of disability or granting social benefits
- The provisions of the current legislation in the area of the social insurance were presented from an objective perspective, analyzing the weaknesses and the strong features as well, providing not only factual information, but also provides an analysis of specific aspects.