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Top hiring and training incentives
for employers in Romania

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In order to stimulate employment, the Romanian state offers employers a number of relatively easily accessible job incentive programmes.

Job incentive programmes imply accessing state aid, within the limits of budgetary funds, with the aim of creating new jobs and, respectively, of stimulating the employment of categories of people considered vulnerable.

As these programmes are not well known or used in practice, this article aims to present the main incentives available to employers for hiring or training new employees.

I. Incentives to encourage the employment of unemployed persons

Law no. 76/2002¹ establishes a series of incentives to encourage employers to hire unemployed people.

In order to benefit from these incentives, employers must in principle:

- ✓ conclude an agreement with the territorial employment agency in whose area they are based ("**AJOFM**"), with a view to employing persons protected by law;
- ✓ communicate job vacancies to the AJOFM;
- ✓ not have been in an employment relationship with the persons employed in the categories concerned in the last two years;
- ✓ not be a shareholder/director of other employers who have benefited from such incentives, in the case of persons whose employment relationship with the employer who benefited from the incentives has been terminated by resignation or by agreement of the parties within the last two years.

In addition, employers must maintain the employment relationship with the unemployed employees for a certain period of time stipulated by law (usually at least 18 months). Otherwise, if they proceed with dismissal for reasons not attributable to these employees, the employers may be obliged to reimburse the full amount received, plus the reference interest rate of the National Bank of Romania ("**NBR**").



1. Incentives for hiring graduates

Employers who hire, for an indefinite period of time, graduates of educational institutions who did not have an employment or service relationship at the time of graduation will receive for a period of 12 months (or 18 months in the case of disabled graduates) an amount of RON 2,250 per month (approximately EUR 450 per month) for each graduate employed.

1. Law no. 76/2002 on the unemployment insurance system and employment stimulation, published in the Official Gazette, Part I, No 103 of 6 February 2002.

In addition, employers who continue to employ graduates beyond the standard 18-month employment period will receive, for each year of continued employment or service, a financial contribution equal to the amount of the paid employment insurance contribution that the employer is required to pay for these persons.



2. Incentives for hiring disabled people

This incentive is granted to employers with more than 50 employees if they hire more people with disabilities than the number of employees required by Law 448/2006² (i.e., 4% of the total number of employees).

In this regard, a company with an average number of 100 employees, if it employs six people with disabilities, can receive an incentive for two people. On the other hand, in the case of companies with an average number of less than 50 employees, the incentive is granted for all the people employed with disabilities.

This incentive, amounting to RON 2,250 (approximately EUR 450) per month, is granted for 12 months in the case of individual employment contracts of indefinite duration concluded with persons with whom the employer has not had an employment relationship in the previous two years, provided that the employment relationship has lasted at least 18 months.



3. Incentives for hiring the “vulnerable” unemployed

Employers also benefit from incentives when hiring the following categories of people:

- ✓ unemployed people over 45;
- ✓ unemployed people who are sole breadwinners;
- ✓ young NEETs (people aged 16 to 30 who are not in employment, education or training);
- ✓ long-term unemployed (unemployed persons who are registered with employment agencies for more than 12 months for persons aged 25 and over and, respectively, for six months for persons aged 16 to 25).

By employing these persons indefinitely, employers may receive RON 2,250 (approximately EUR 450) per month, for 12 months for each person employed in this category, with the obligation to maintain the employment relationship for at least 18 months following the date of employment.

2. Law no. 448/2006 on the protection and promotion of the rights of persons with disabilities, republished in the Official Gazette, Part I, No 1 of 3 January 2008.



4. Incentives for hiring those nearing retirement age

Employers who hire unemployed persons who, within five years from the date of employment, meet the conditions for applying for partial early retirement or old-age pension, if they do not meet the conditions for applying for partial early retirement, receive a monthly amount of RON 2,250 per month (approximately EUR 450 per month) for the period of employment until the conditions are met.



5. Incentives for hiring young people at risk of marginalisation

The incentive is granted for hiring young people at risk of marginalisation who are beneficiaries of solidarity contracts, namely, unemployed people aged 16–26 who are registered with AJOFM and fall into one of the following categories:

- ✓ are in or coming out of the child protection system;
- ✓ have a disability;
- ✓ have no family, or their family cannot support them;
- ✓ have dependent children;
- ✓ have served one or more prison sentences;
- ✓ are victims of human trafficking;
- ✓ are serving a sentence, training or other non-custodial measure ordered by the judicial authorities.

Employers benefit monthly, until the end of the duration of the solidarity contract, for each person employed in this category an amount equal to the basic salary established at the date of employment of the young person, but not more than four times the value of the social reference indicator [i.e., not more than RON 2,392 per month (approximately EUR 480 per month)].

If, at the end of the period for which the solidarity contract has been concluded, the employer continues the employment relationship, the young person will receive a monthly amount equal to 50% of the unemployment benefit due under the law which the young person would have received if the employment relationship had ended on that date for reasons beyond the young person's control. The amount is paid to the employer for the duration of the employment relationship, but for a maximum of two years.



II. Incentives for vocational training



1. Reimbursement of expenses for training services

Law no. 76/2002 provides that employers who organise vocational training programmes for their own employees may receive an amount equal to 50% of the cost of the vocational training services organised for up to 20% of their employees.

The reimbursement is made at the request of the employer, on the basis of a contract concluded with AJOFM.



2. Incentives for the organisation of traineeships for higher education graduates

Law no. 335/2013³ stipulates that an employer who concludes an internship contract, in addition to the individual employment contract, may receive a grant from the Romanian state of RON 2,250 (approximately EUR 450) per month for the duration of the internship contract, based on an agreement concluded with AJOFM.

The duration of the traineeship contract is six months, except in cases where special laws provide for a different traineeship period.



3. Incentives for hiring interns

Law no. 176/2018⁴ establishes that host organisations which, within 60 days of the completion of the internship programme, conclude an individual employment contract with the person who carried out the internship programme shall receive, upon request, an employment promotion bonus in the amount of RON 4,586 (approximately EUR 970) for each person thus employed, after fulfilling the obligation to maintain the employment relationship for an uninterrupted period of at least 24 months.

In order to receive this amount, representatives of host organisations apply to AJOFM, accompanied by a number of documents.

3. Law no. 335/2013 on the performance of internship for higher education graduates, published in the Official Gazette, Part I no. 776 of 12 December 2013.

4. Law no. 176/2018 on internship, published in the Official Gazette, Part I no. 626 of 19 July 2018.



4. Incentives for organising apprenticeship programme

Law no. 279/2005⁵ stipulates that the employer who concludes an apprenticeship contract receives, on request, for the entire duration of the apprenticeship contract, an amount of RON 2,250 (approximately EUR 450) per month, based on an agreement concluded with AJOFM.

For this incentive, the employer concludes an agreement with AJOFM within 60 working days of the end of the probationary period.



5. Incentives for hiring pupils and students during holidays

Law no. 72/2007⁶ stipulates that an employer who employs pupils and students during the holiday period receives, on request, for each pupil and student, a monthly financial incentive equal to 50% of the value of the social reference indicator [i.e., currently RON 299 (approximately EUR 60)].

In order to grant this monthly financial incentive, employers conclude an agreement with AJOFM within 30 days of the date of employment of pupils and students during the holiday period.



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5. Law no. 279/2005 on apprenticeship at work, republished in the Official Gazette, Part I no. 498 of 7 august 2013.

6. Law no. 72/2007 on incentives for the employment of pupils and students, published in the Official Gazette, Part I, no. 217 of 30 March 2007.

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