Romania

Payroll & Employment Law Guide

2026 Edition · Last updated June 2026

Labour Code (Law 53/2003, as amended) · Tax Code (Law 227/2015) · EU member since 1 January 2007

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Overview

A reference for employing in Romania

Romania is a full EU member state, so its employment framework must align with EU directives on non-discrimination, working time, parental leave, transparent working conditions and posted workers. Unlike a tax-free Gulf state, Romania levies a 10% flat personal income tax, the lowest in the EU, alongside a heavy social-contribution regime carried almost entirely by the employee. The result is a wide gross-to-net gap and a light employer overhead of roughly 2.25% for standard roles.

EU and EEA citizens may work without a permit; non-EU hires need an aviz de munca. Romania has not adopted the euro, so the legal payroll currency remains the RON. Two 2026 shifts shape the year: the tiered sick-leave system under Emergency Ordinance 91/2025 and the twin minimum-wage steps in January and July.

10%	35%	2.25%	4,050 RON
FLAT INCOME TAX · EU'S LOWEST	EMPLOYEE CAS + CASS + TAX	EMPLOYER CAM OVERHEAD	MINIMUM WAGE · JAN–JUN 2026

WHAT THIS GUIDE COVERS

I

Working Hours & Leave

The Labour Code caps standard hours at 40 per week and 8 per day, Monday to Friday. Overtime is compensated with time off within 60 days or a 75% premium, and Emergency Ordinance 91/2025 replaced the old flat sick-pay rate with a tiered system from 1 August 2025.

STANDARD HOURS & OVERTIME

- **Standard:** maximum 40 hours/week and 8 hours/day, Monday to Friday.
- **Overtime:** maximum 48 hours/week; compensated with time off within 60 days or a 75% premium (175% total).
- **Pregnant employees:** entitled to reduce from 8 to 6 hours/day with a medical certificate.

ANNUAL LEAVE

CATEGORY	ENTITLEMENT
General minimum	20 working days
Under 18 / disability / hazardous conditions	+3 additional working days (= 23 days)
▸ **Collective bargaining agreement (CBA)**	Commonly up to 25 days

> Annual-leave mechanics
>
> Holiday pay must be settled at least **5 working days** before leave begins. Unused leave may be carried over up to **18 months**, with full cash-out on termination.

SICK LEAVE — NEW TIERED SYSTEM (FROM 1 AUGUST 2025)

DURATION	INDEMNITY RATE	PAID BY
First 5 calendar days	Full pay	Employer (not reimbursable)
Up to 7 calendar days	55%	CNAS / FUNASS
Days 8–14	65%	CNAS / FUNASS
▸ **Day 15 and beyond**	75%	CNAS / FUNASS
Annual maximum	180 days	Up to 270 for serious conditions

> VERIFY
>
> Implementing norms for Emergency Ordinance 91/2025 were still under consultation as of June 2026. Apply the final published norms before the first affected pay run.

II

Parental Leave

Romania's parental regime runs from maternity leave through a long state-funded child-care period, and includes a non-transferable "Daddy Month" plus a dedicated paternity entitlement. Dismissal protection extends beyond leave itself, covering pregnancy once notified and six months after return.

MATERNITY LEAVE

Duration	126 calendar days, split 63 days pre-birth and 63 days post-birth (minimum 42 days post-birth mandatory).
Qualifying condition	At least 6 months of social-insurance contributions in the last 12 months.
Pay rate	85% of average gross income over the last 6 months, funded by CNAS; the employer pays first, then reclaims.
Dismissal protection	Prohibited during pregnancy once notified and during maternity leave; also protected 6 months after return.

CHILD-CARE LEAVE

- **Duration:** from the end of maternity leave until the child turns 2 years (3 years for a disabled child).
- **Pay:** 85% of average net income over the last 12 months; minimum RON 1,495/month, maximum RON 8,500/month, state-funded (ANPIS).
- **Daddy Month (mandatory):** the father must take at least 1 month, non-transferable.
- **Early return bonus:** if the parent returns before the child turns 2, a monthly bonus is paid until the child turns 3.

PATERNITY LEAVE

5 working days paid, extended to 15 days with an infant-care certificate. Leave must be taken within 8 weeks of birth, and the employer pays 100%.

EU alignment

Romania's parental entitlements implement the EU Work-Life Balance Directive: the mandatory, **non-transferable Daddy Month** and the transparent child-care benefit ceilings both derive from EU parental-leave rules that a Gulf regime would not carry.

III

Tax & Social Contributions

The employee carries almost the entire social burden: 25% pension (CAS) and 10% health (CASS), followed by the 10% flat income tax on what remains. The employer's only statutory overhead is the 2.25% work-accident insurance (CAM) for standard roles. Total employee deductions run to roughly 35% of gross.

CONTRIBUTION & TAX RATES (2026)

ITEM	RATE	BASE	CAP	PAID BY
CAS — Pension	25%	Gross salary	RON 97,200/mo	Employee
CASS — Health insurance	10%	Gross salary	None	Employee
Income tax (impozit pe venit)	10%	Gross - CAS - CASS - deductions	—	Employee (employer withholds)
▸ **CAM — Work-accident insurance**	2.25%	Gross salary	None	Employer

On the rates

The 10% flat income tax is the **EU's lowest** (level with Bulgaria). Total employee deductions come to about 35% of gross; employer overhead on gross is roughly 2.25% for standard roles.

GROSS-TO-NET ILLUSTRATION (2026, RON 8,000/MONTH GROSS)

ITEM	CALCULATION	RON
Gross salary		8,000
- CAS (25% × 8,000)		-2,000
- CASS (10% × 8,000)		-800
Taxable income	8,000 - 2,800	5,200
- Income tax (10% × 5,200)		-520
▸ **Net salary**		4,680
+ CAM (2.25% × 8,000)	Employer	+180
▸ **Total employer cost**		8,180

IV

Minimum Wage & Benefits

The 2026 minimum wage rises in two steps for the general economy and sits higher again for construction. A distinct 24-month rule prevents employers from parking staff at the minimum indefinitely. A short menu of tax-advantaged benefits reduces the effective cost of pay.

MINIMUM WAGE (2026)

PERIOD	GROSS MINIMUM	APPROX. NET	SECTOR
1 Jan – 30 Jun 2026	RON 4,050/mo	~RON 2,574	General economy
1 Jul – 31 Dec 2026	RON 4,325/mo	~RON 2,699	General economy
▸ **All 2026**	RON 4,582/mo	Higher	Construction sector

> **The 24-month rule**
> An employer may not pay the minimum wage for more than **24 consecutive months** per employee. After 24 months, the salary must exceed the minimum wage.

TAX-ADVANTAGED BENEFITS (KEY ITEMS)

BENEFIT	TAX TREATMENT (2026)
Meal tickets (tichete de masa)	Max RON 45/day; exempt from CAS; subject to CASS and income tax
Remote-work allowance	Up to RON 400/month non-taxable
Private health insurance (employer)	Up to EUR 400/year non-taxable for the employee
Gift vouchers (non-holiday)	Up to RON 150/person/event non-taxable

V

Payroll Operations

Romanian payroll runs on two clocks: a single monthly declaration to the tax authority and a near-real-time labour registry for every hire and change. Missing the registry deadline is one of the most frequently penalised areas, so both cycles should be treated as hard dates.

FILING & REGISTRATION DEADLINES

Form D112	Monthly declaration covering CAS, CASS, CAM and income tax, filed electronically to ANAF by the 25th of the following month.
REGES-Online	All new employees registered before the first working day (minimum 1 business day); changes entered within 1 business day. Late-registration fine: RON 10,000–20,000 per employee.
Fisa Fiscala	Annual employee income statement issued to each employee by 31 January of the following year.
Record retention	Payroll records kept a minimum of 5 years; employment contracts kept a minimum of 75 years.

Registry timing is the trap

REGES-Online pre-employment registration is among the most frequently penalised areas. Every hire, salary change and exit must be entered on time, before the employee's first working day.

VI

Hiring & Termination

Probation length depends on contract type and seniority, and notice periods differ sharply between employer termination and employee resignation. Romania has no universal severance formula: statutory pay applies only in defined situations, with amounts usually set by collective agreement or contract.

PROBATION PERIOD

CONTRACT TYPE / ROLE	MAXIMUM PROBATION
Unlimited-term — standard role	90 calendar days
Unlimited-term — management/supervisory	120 calendar days
Fixed-term up to 1 year	30 working days
Fixed-term more than 1 year	45 working days

NOTICE PERIODS

SITUATION	NOTICE
Employer redundancy / incapacity termination	Minimum 20 working days written notice
Disciplinary dismissal	No notice required
Employee resignation — standard role	Maximum 20 working days
▸ **Employee resignation — management**	Maximum 45 working days

SEVERANCE

There is no universal statutory severance formula in Romania. Severance is mandated only in specific situations (collective or individual redundancy, incapacity) and is typically defined by CBA or the employment contract, commonly 1 to 3 months per year of service in practice.

Notice runs both ways, unequally

Employer redundancy or incapacity termination requires a minimum **20 working days** written notice, while a resigning manager may owe up to **45 working days**. Disciplinary dismissal carries no notice. Confirm each contract's category before dating any exit.

Collective redundancy

The collective redundancy procedure is complex: a **30-day consultation** plus ITM notification is required. Legal counsel is strongly recommended before starting.

VII

Work Permits & Visas

As an EU member, Romania grants free labour-market access to EU, EEA and Swiss citizens, while posted workers under an A1 certificate keep their home-country social contributions. Non-EU hires need a work permit sponsored by the employer, with dedicated routes for highly skilled staff and remote earners.

CATEGORY	STATUS
EU / EEA / Swiss citizens	No work permit; registration certificate required for stays over 90 days.
A1 certificate holders (posted EU workers)	Home-country social contributions apply; Romanian CAS/CASS not due.
Non-EU citizens	Work permit (aviz de munca) via IGI; the employer applies; lead time 4–6 weeks.
EU Blue Card	For highly skilled non-EU staff; salary at least 1.5× the average gross wage.
▸ **Digital Nomad Visa**	12-month renewable; minimum income around EUR 3,500/month.

Posted workers keep home contributions

An **A1 certificate** means the posted EU worker continues paying social contributions in the home country, so Romanian CAS and CASS are not due. Confirm the certificate is valid for the assignment period before running local payroll.

VIII

Practical Notes

The obligations in this guide reduce to a short list of checks that prevent the most common and most costly Romanian payroll errors. Each should be settled before the first pay run.

Wide gross-to-net gap	The 10% flat tax is the EU's lowest and attractive for high earners, but the ~35% employee social contribution creates a wide gross-to-net gap. Set expectations on net pay early.
CAM varies by NACE code	The 2.25% CAM rate is a general reference; the actual rate depends on the company's risk class. Verify with ITM or ANAF.
REGES-Online timing	One of the most frequently penalised areas. All hires, salary changes and exits must be entered on time, before the first working day.
Slow CNAS reimbursement	CNAS sick-leave repayments can take months. Account for this lag in cash-flow planning.
Sector exemptions ended	IT, construction and agriculture tax exemptions were largely removed from January 2025 (Law 141/2025). Update package models accordingly.
Collective redundancy is complex	A 30-day consultation plus ITM notification is required; legal counsel is strongly recommended.

EOR & PAYROLL, HANDLED

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CAS and CASS contributions, the 10% flat income tax, CAM work-accident insurance, Form D112 filing, REGES-Online labour-registry registration, notice and CBA-based severance, plus in-country EOR. Datassist runs payroll and employment for international employers across Turkey, Romania and the wider region from a single center.

Schedule a Meeting →

7+	1	0%
MARKETS COVERED	SINGLE COMPLIANCE OPERATION	MISSED PAYROLL DEADLINES