

SOCIAL ASSISTANCE BENEFITS IN ROMANIA

ROMANIA – BUCHAREST

2017, September 13

Ministry of Labour and Social Justice

Social Benefits Policies Directorate

LEGAL FRAMEWORK

- **The national social assistance system - a component of the national social security system**

All the measures of the central and local institutions of the state and also of the local community and the civil society for preventing or combating the social exclusion of the persons, family, groups and communities.

- **Law no. 292/2011 of social assistance**, created an unified and coordinated legal and institutional framework, which established the principles and the general rules for granting the social assistance measures as well as the criteria for the organization and functioning of the system, in order to ensure appropriate conditions for the development and implementation of the sectorial public policies of social assistance field
- **Social assistance system in Romania:** social assistance benefits and social services

LEGAL FRAMEWORK

The right to social assistance benefits and social services is guaranteed in Romania to all Romanian citizens and also for all the foreign persons who have the residence in Romania.

General principles of social assistance system:

- Universality
- Respect for human dignity
- Social solidarity
- Partnership
- Subsidiarity
- Participation of the beneficiaries
- Transparency
- Non - discrimination

INSTITUTIONAL FRAMEWORK

- central level-

□ **Direction Social Benefits Policies :**

- elaborates the legislation, strategies, programs, reports in the field of social assistance (social assistance benefits, family policies and social inclusion programs)
- monitors and evaluates the implementation of the national legislation and strategies in this field
- provides methodological guidance for the activity of National Agency for Payments and Social Inspection and for the institutions from county and local level with attributions in this field

INSTITUTIONAL FRAMEWORK

- central level-

- **National Agency for Payments and Social Inspection:**
 - ensures an efficient and integrated system of payment for all the social assistance benefits
 - has an important role in prevention of error, fraud and corruption in this field
 - ensures the coordination, the methodological guidance and the control of the county agencies for payments and social inspection
 - keeps the evidence of the persons which are entitled to social assistance benefits (SAFIR IT system)

INSTITUTIONAL FRAMEWORK

- county level-

- **County Agencies for Payments and Social Inspection** (41 counties and one municipal agency in Bucharest)
 - applies the legislation regarding social assistance benefits ;
 - informs and guides the beneficiaries about their rights and obligations;
 - process the documents and verifies eligibility conditions for establishing entitlement to social assistance benefits;
 - establishes the right to social assistance benefits and makes the payments of all the social assistance benefits;
 - keeps the evidence of the persons which are entitled to social assistance benefits (SAFIR IT system)

INSTITUTIONAL FRAMEWORK

- local level-

❑ **Public Social Assistance Service**

- receives the applications forms/ claims from the beneficiaries;
- establishes the right to the benefits for some of the social assistance benefits which are based on means tested and than the county level makes the payment;
- informs and guides the beneficiaries about their rights and obligations in this field ;

FINANCING SYSTEM

- **State budget**
 - financing of social assistance benefits

- **County councils budget**
 - financing the social assistance benefits established by decision of county councils or the council of Bucharest or districts of Bucharest

- **Local budget**
 - financing the social aids and indemnities granted at local level
 - financing of social services

SOCIAL ASSISTANCE BENEFITS

- ❑ **social assistance benefits** are financial transfers granted for:
 - family and children (**family benefits**);
 - preventing poverty and social exclusion risk (**means tested benefits**);
 - persons with special needs (**disability benefits**);
 - other types of benefits and facilities (**emergency aids**).

- ❑ are related to the Social Reference Indicator (SRI) for ensuring a compatibility with the social benefits granted from unemployment insurances, according to Law no. 76/2002 on the unemployment insurance system and on the stimulation of employing the labor force. **1 SRI =500 lei (114 euro)**

- ❑ are granted by the central or local public authorities and the granting procedures are stipulated through special laws.

- ❑ are paid in cash or in kind, from the state budget or from local budget

SOCIAL ASSISTANCE BENEFITS

- family benefits-

The social assistance benefits programs for families with children diversified in order to improve the quality of life in Romania.

➤ Child state allowance - Law no. 61/1993

- granted based on the **principle of universality** for all the children until the age of 18, without discrimination. The young persons after the age of 18 who follow the educational courses or vocational educational courses have the right to the child state allowances until they finish the studies.
- granted on a **monthly basis**, in a fixed amount, no matter the revenues of the family. **Amounts for 2017:**
 - ▣ **200 lei (0,4 ISR) (44 euro)** for children until the age of 2 or 3 years old, in the case of children with disability.
 - ▣ **84 lei (0,168 ISR) (18 euro)** for children with the age between 2 years and 18 years old, and also for young people after the age of 18 until they finish the educational courses or vocational educational courses.
 - ▣ **200 lei (0,4 ISR) (44 euro)** for the children with disabilities with the age between 3 years and 18 years old.

SOCIAL ASSISTANCE BENEFITS

- family benefits-

➤ Child raise indemnity and insertion incentive - GEO no. 111/2010

Law no. 66/2016 modified the GEO no. 111/2010 and starting from July 2016, established new eligibility criteria for parental leave and child raising indemnity. The parents must prove 12 months of income subject to taxation according to Fiscal Code, during the last two years prior to the birth of the child, including similar periods, according to the law. Currently there is only one type of parental leave, until the age of 2 of the child or 3 years old, in the case of children with disabilities. The minimum amount of child raising indemnity has been increased to 85% of the minimum gross wage which is 1.450 from February 2017: **1.233 lei about 271 euro**. The maximum amount of the child raising indemnity has been established to 85% of the average professional net income earned by the parent, but no more than 8.500 lei.

- Monthly insertion incentive granted until the age of 3 years old in a monthly amount of **650 lei** about 143 euro from starting from February, if the parent decides to come back to work 60 days before the child fulfils the age of 2 years old.

SOCIAL ASSISTANCE BENEFITS

- family benefits-

➤ Allowances and aids for raising the child with disability: GEO 111/2010

Granted to persons with children with disabilities, up to the age of 7 years old or granted to the persons with disability who became a parent. According to Law no.66/2016, the amount of the child raising indemnity, for parents who take care of a child with disability, aged between 3 and 7 years old, who are entitled to parental leave, has been increased to **1.233 lei (271 euro)**, starting from February 2017. Also, the amounts of benefits and aids granted to persons/parents who take care of children with disabilities and also those granted to persons with disabilities who take care of children, have been increased starting from February 2017. Amounts between **185 lei (41 euro)** and **555 lei (122 euro)**.

SOCIAL ASSISTANCE BENEFITS

- family benefits-

➤ Child placement allowance: Law no. 272/2004

Granted from the state budget for each child or young person who benefits from the measure of placement to a person, family, guardian, foster parent or to residential care organized by an authorized private body. Starting from 2015, the monthly amount of the allowance increased to **600 lei (132 euro)**. For children with disabilities this amount is increased by 50%, reaching to **900 lei (198 euro)**. This allowance is paid until the age of 18 years old of the child and after 18, if the measure of placement is continued after this age.

SOCIAL ASSISTANCE BENEFITS

- coverage with social assistance benefits-

TYPE OF FAMILY BENEFITS	Monthly average number of beneficiaries (2016)	Amounts paid millions lei (2016)
Child state allowance	3.662.793	4.415,50
Child raising indemnity	141.151	2.060,26
Insertion incentive	41.334	263,93
Indemnity and aids for raising the child with disability	8.644	48,06
Placement allowance	40.735	324,89

SOCIAL ASSISTANCE BENEFITS

- means tested benefits-

- **Guaranteed Minimum Income - Law no. 416/2001**, granted to families or single persons with low or no income, in a state of social need, in order to overcome the situation he/she is in. Is established as the difference between the monthly net income of the eligible family, or single person and monthly GMI levels stipulated by law.
- **The monthly level for GMI :**
 - **0,283 ISR (142 lei) - 31 euro** for single person
 - **0,510 ISR (255 lei) – 56 euro** for families of 2 persons
 - **0,714 ISR (357 lei) - 78 euro** for families of 3 persons
 - **0,884 ISR (442 lei) – 97 euro** for families of 4 persons
 - **1,054 ISR (527 lei) – 115 euro** for families of 5 persons
 - **0,073 ISR (37 lei) – 8 euro** for each additional person exceeding the number of 5, who is a family member, according to Law.
- **In terms of promoting social inclusion, this is the best targeted program, including incentives to work (increase with 15% of the amount in the situation of eligible persons who have a job) and promoting the principles of responsibility and active participation of beneficiaries by their involvement in the work and actions of community interest.**

SOCIAL ASSISTANCE BENEFITS

- means tested benefits-

➤ Family support allowance- Law no. 277/2010

Based on means tested (incomes and assets) and granted to families made of husband and wife who take care of their children, those being up to 18 years old, living and contributing to the household together and earning net monthly income per family member up to **530 lei** (1.06 ISR) **120 euro**

Different amounts for two parents family and single parent family:

▪ for family with average monthly net incomes per family member up to 0,4 ISR (200 lei) (45 euro) are granted the following amounts:

- a) 0,164 ISR (82 lei) (18 euro) / 0,214 ISR (107 lei) (23 euro) for family with 1 child;
- b) 0,328 ISR (164 lei) (36 euro) / 0,428 ISR (214 lei) (47 euro) for family with 2 children;
- c) 0,4920 ISR (246 lei) (54 euro) / 0,642 ISR (321 lei) (71 euro) for family with 3 children;
- d) 0,6560 ISR (328 lei) (72 euro) / 0,856 ISR (428 lei) (94 euro) for family with 4 children or more.

• for family with average monthly net incomes per family member between 0,402 SRI (201 lei) and 0,74 ISR (370 lei) are granted the following amounts:

- a) 0,150 ISR (75 lei) (16 euro) / 0,204 ISR (102 lei) (22 euro) for family with 1 child;
- b) 0,300 ISR (150 lei) (33 euro) / 0,408 ISR (204 lei) (45 euro) for family with 2 children
- c) 0,450 ISR (225 lei) (49 euro) / 0,612 ISR (306 lei) (67 euro) for family with 3 children;
- d) 0,600 ISR (300 lei) (66 euro) / 0,816 ISR (408 lei) (90 euro) for family with 4 children or more.

SOCIAL ASSISTANCE BENEFITS

- means tested benefits-

House Heating Benefits - GEO no. 70/2011 :

- Aid for house heating with thermal energy:** Granted to families whose monthly net medium income per family member is up to **786 lei (178 euro)** and to single persons whose monthly net medium income is up to **1.082 lei (245 euro)** , who do not own assests refered to in Annex 4 of GD no. 50/2011 that use thermal energy for heating the house. Percentile compensation of the value of the invoice for thermal energy.
- Aid for house heating with natural gas:** Granted to single persons and to families whose monthly net medium income per family member is up to **615 lei (139 euro)** , who do not own the assests refered to in Annex 4 of GD no. 50/2011 that use natural gas for heating the house. Amounts between **19 lei (4 euro)** and **262 lei (59 euro)**.
- Aid for house heating with electric energy:** Granted to single persons and to families whose monthly net medium income per family member is up to **615 lei (139 euro)** , who do not own goods refered to in Annex 4 of GD no. 50/2011 that use electric energy for heating the house. Amounts between **48 lei (11 euro)** and **240 lei (54 euro)**.
- Aid for house heating with wood, coal and oil:** Granted to single persons and to families whose monthly net medium income per family member is up to **615 lei (139 euro)**, who do not own goods refered to in Annex 4 of GD no. 50/2011 that use wood, coal and oil for heating the house. Amounts between **16 lei (3,5 euro)** and **54 lei (12 euro)**, respectively **58 lei (13 euro)** for social aid beneficiaries.

SOCIAL ASSISTANCE BENEFITS

- means tested benefits-

- **The educational incentive** which is stipulated by the Law no. 248/2015 on stimulating the participation into preschool education of the children from disadvantaged families. Is granted as a social ticket for increasing their acces to education. The educational incentive is granted to the disadvantaged families if the following criteria are met:
 - the child is in the evidence of a preschool unit according to National education Law no.1/2011;
 - the monthly income per family member is up to twice the level of minimum income guaranteed for a single person, namely 284 lei;
 - the monthly value of the educational incentive (social ticket) is 50 lei (11 euro) for each child.

SOCIAL ASSISTANCE BENEFITS

- benefits for persons with disabilities-

➤ **Monthly allowance – art. 58 from Law no. 448/2006**

- **Granted to the adult with severe disability, regardless of their income -234 lei (53 euro)**
- **Granted to the adult with pronounced disability, regardless of their income – 193 lei (31 euro)**

➤ **Monthly complementary budget - art. 58 from Law no. 448/2006 :**

- **Granted to the adult with severe disability and to the family or legal representative of the child with severe disability, regardless of their income – 106 lei (24 euro)**
- **Granted to the adult with pronounced disability and to the family or legal representative of the child with pronounced disability, regardless of their income – 79 lei (18 euro)**
- **Granted to the adult with medium disability and to the family or legal representative of the child with medium disability, regardless of their income -39 lei (8 euro)**

SOCIAL ASSISTANCE BENEFITS

- other benefits-

➤ **Emergency aids** - Law no. 416/2001 - through **Government Decision** various amounts are granted to families and persons that are in needy situations caused by natural disasters, fire, accidents, as well as other special situations caused by illness or other causes that can lead to the risk of social exclusion.

Granted for covering the basic needs of the family or of the single person found in one of the situations established by law.

➤ **Non-refundable aid for refugees** - Law no. 122/2006, granted to persons having the legal status of refugee or who benefit from subsidiary protection, persons who, from objective reasons, do not have the necessary means of existence. Amount 1,08 ISR - **540 lei (122 euro)** granted for 6 or 9 months.

SOCIAL ASSISTANCE BENEFITS

- coverage with social assistance benefits-

Type of means tested benefits	Monthly average number of beneficiaries (2016)	Amounts paid millions lei (2016)
Family support allowance	273.337	525,92
Social aid	244.814	811,68
House heating aids	569.581	148,56
Emergency aids	1.779	9,50

SOCIAL ASSISTANCE BENEFITS

- a new program for means tested benefits-

- **MINIMUM INCLUSION INCOME (MII):**
- **a new program for persons and families with low or no incomes:**
Consolidate the means-tested programs into a anti-poverty program (MII). The three social assistance programs will merge resulting a single and larger program, better targeted towards the poorest that would provide incentives for in-work poor to combine earnings with social assistance receipts. The MII program will be better linked to employment services, education and children' s health services, and housing services;
- Minimum income for inclusion will include as components:
 - **inclusion aid** which will cover the family food poverty
 - **aid for families with children** which will cover the special needs of the family with children
 - **dwelling supplement** which will cover the energy poverty

SOCIAL ASSISTANCE BENEFITS

- a new program for means tested benefits-

- **Additional elements of the program:**
 - payment from the state budget of health insurance for all the social aid beneficiaries
 - payment from the state budget of mandatory home insurance for those beneficiaries of social aid which own a house
 - granting emergency benefits for exceptional circumstances which can lead to the risk of social exclusion
- Main characteristics of minimum insertion income:
 - **the income of the family is calculated taking into account the number of equivalent adult** = equivalence coefficient reflecting the consumption distribution (1 for the first adult, 0,5 for the other members of the family);
 - **a minimum threshold** = 260 lei/equivalent adult. By establishing the threshold at 260 lei will be covered the poorest 10% of the citizens, overcoming the level of severe poverty (214 lei) and tending to reach the level of absolute poverty (304 lei);

SOCIAL ASSISTANCE BENEFITS

- a new program for means tested benefits-

- **a maximum threshold = 600 lei/ equivalent adult.**

- **increasing the basic level of benefits:**
 - **Aid for families with children** from 107 to 120 lei **(+12%)**;
 - **Inclusion aid** from 142 lei to 260 lei **(+83%)**;
 - **Dwelling supplement** from 58 lei to 80 lei **(+38%)**; **for heating the house in a centralized system, with natural gase or electricity, the maximum levels of benefits remain the same.**

- **incomes from formal sources** (salaries, self-employed activities, agricultural incomes), will be taken into account with less 50%, but no more than 400 lei/per family, curently the whole income of the family is taken into consideration) for the purpose of stimulating the participation of beneficiaries on the labour market participation.

SOCIAL ASSISTANCE BENEFITS

- a new program for means tested benefits-

- **Requirements for granting social benefits are mostly the same as for the existing programs:**
 - Obligation of beneficiaries to be enrolled in the Public Employment Services as job seekers;
 - Obligation of beneficiaries not to refuse job offers;
 - Obligation of beneficiaries not to refuse participation in qualification/re-qualification/training courses;
 - Obligation to attend classes, for children of school age, from beneficiary families.
 - Obligation of beneficiaries to perform community works;
 - Interdiction to apply again for benefits for the next 6 months, in case of turning down a job offer or a qualification/re-qualification/training courses, for no reason.

SOCIAL ASSISTANCE BENEFITS

- a new program for means tested benefits-

- **Increasing participation on the labor market for beneficiaries of social assistance measures:**
 - Participation in "second chance" type educational programs, including in programs deployed through community centres for long life learning, at local level;
 - Participation in qualification/re-qualification/training/ courses recommended by Public Employment Services;
 - Provision of counselling and vocational guidance services;
 - Job offers in social or insertion enterprises, according to the provisions of Law no. 219/2015 regarding social economy;
 - Measures of priority employment for temporary activities, for performing local community works and activities, subsidized from the unemployment insurance budget.

SOCIAL ASSISTANCE BENEFITS

- a new program for means tested benefits-

- **Estimated budgetary implications:**
 - The MII program is foreseen to be applied starting with April 2018;
 - The general financial impact for 2018 is 2,087 billion lei, out of which 1,59 billion lei for the application of the MII program and 0,49 billion lei for the application of the existing legislation on benefits for the first 4 month of 2018;
 - The budgetary impact for 2018, compared to the current budget for the three social assistance benefits/components is 0,687 billion lei;
 - The budgetary impact for 2019 and 2020 is foreseen to be 2,412 billion lei per year;
 - The budgetary impact compared to a year with payments in current conditions is $2,412 - 1,4 = 1,012$ billion lei.

SOCIAL ASSISTANCE BENEFITS

- future objectives -

- ▶ Implementation of the new framework law: The main new provisions are:
 - **Reduction and limitation of dependence on state aid through the active participation** of the person / family;
 - Establishing and providing social benefits and social services in a **coordinated and complementary package of measures**;
 - **Social services** take priority over social assistance benefits, if their cost and impact on beneficiaries is similar;
 - Simplification of administrative procedures by setting up a **single point of submission and by establishing a single application form** to claim social assistance benefits
 - **Targeting the social benefits** to those who are in the highest risk of poverty and social exclusion