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Romania: Severance pay/redundancy compensation

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Romania

Phase:

Management

Type:

Severance pay/redundancy compensation

Last modified: 22 August, 2017

Native name:	Codul muncii, Legea nr. 53/2003, republicată în Monitorul Oficial nr. 345 din 18 mai 2011
English name:	Labour Code, Law no. 53/2003, republished in the Official Gazette of Romania no. 345 dated 18 May 2011

Article

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Description

The Labour Code provides (only as a mere possibility) that employees dismissed for reasons which do not pertain to their person **may benefit** from redundancy compensation under the terms stipulated:

- by the law. Such pieces of legislation were indeed applicable to certain industries (and in particular to state-owned units), but today they are no longer in force;
- by the applicable collective agreement.

The Labour Code - as a general law - therefore does not include explicit provisions on redundancy compensation; compensatory payments are currently only provided in collective agreements.

Comments

Today, redundancy compensation is not universally granted, but only to the extent that the company is subject to a collective agreement which contains provisions on redundancy compensation, usually correlated with seniority in the company.

Until 2010, a collective agreement concluded at the national level was in force which gave employees the right to redundancy compensation in the event of a collective dismissal. This collective agreement covered all employees. However, starting from 2011, a respective national collective agreement is no longer in force and, in addition, there are very few sectoral collective agreements. Today, we can find provisions on redundancy compensation mainly in the company level collective agreements. Indeed, some collective agreements provide compensations of 6-12 average wages in the event of redundancy, but in many cases there are either no applicable collective agreements or the applicable one does not provide any compensation in case of redundancy.

Cost covered by

Employer

Involved actors other than national government




National government only

Thresholds

No, applicable in all circumstances

Sources

Ius Laboris (2009), Collective Redundancies Guide, Brussels

-  [EMCC - Legal framework for restructuring](#)
-  [Labour Code, Law no. 53/2003](#)
-  [Codul muncii, Legea nr. 53/2003](#)

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