

CMS: Romania issues employment law updates

Throughout July 2021, Romania initiated important developments in the employment field, mainly concerning the content of certain documents relevant for the sector, such as the standard model of the individual employment contract and the declaration and notification templates required in relation to the cross-border posting of employees.

Individual employment contract

On 19 July 2021, the Ministry of Labour and Social Security issued the Order no. 585/2021 for amendment of the standard model of an individual employment contract. Pursuant to this Order, the individual employment contract must include, further to existing clauses, the following information:

- the employer's obligation to inform the employee about his obligation to join a private pension fund. (This obligation refers only to persons up to 35 years old who are insured under the public pension system).
- That job duties are provided for in the job description, with the exception of micro-enterprises of nine employees or less. In the latter case, only a short description of an employee's activity should be specified in the individual employment contract.

Cross-border posting

Government Decision no. 654/2021 (Decision 654), which entered into force on 18 June 2021, provides amendments to the Methodological Norms regarding the posting of employees within the cross-border provision of services on Romanian territory, including:

- an amendment to the standard template of declaration, which must be submitted to the Romanian labour inspectorate (ITM) by foreign entities posting employees in Romania. The updated declaration remains similar to the old version since Decision 654 requires minimal information: the type of cross-border measure corresponding to the posting situation (i.e. whether it is a posting under a contract concluded between two companies, or a posting within a group of companies, or a lease of employees through a temporary work agency).
- the above declaration must be submitted with ITM before the posted employee starts his activity (pursuant to the old version of the law, the submission deadline was at least one business day before starting the activity). In addition, any changes to the information submitted should be notified to ITM no later than the day when the change occurred. (Pursuant to the old version of the law, the deadline was maximum five working days as of the date of the change).
- Decision 654 provides a notification template, which must be submitted with ITM when the posting period extends from 12 to 18 months. This includes, among others, the contact details of the companies involved in the posting, the reasons behind the extension, identification data of the employees in relation to whom the extension applies, the duration of the extension, etc. This notification may be sent in paper form or electronically (e.g. by e-mail or by filling in an online form).
- in case a temporary work agency leases an employee to a user located in Romania, and the latter sends the employee to carry out his activity in another member state, the employee will be deemed posted on the territory of that other member state by the temporary work agency. In this case, the user must: (i) inform the temporary work agency about this case at least 30 days before the employee's activity starts; and (ii) notify ITM at least one day before the employee is posted abroad.

For more information on Romania's employment sector, contact your CMS partner or local CMS experts: **Cristina Popescu** and **Alexandra Voinia**.