

EUROMOD Country Report – Romania

2022-2025

Militaru, E., Popescu, M., Vasilescu, D., Cristescu, A.
Editors: Ricci M., Trzcinski, K.

2026



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Contact information

Name: JRC-EUROMOD Team

Address: Edificio EXPO, c/ Inca Garcilaso 3, 41092 Sevilla, Spain

Email: jrc-euromod@ec.europa.eu

<https://euromod-web.jrc.ec.europa.eu/>

The Joint Research Centre: EU Science Hub

<https://joint-research-centre.ec.europa.eu>

Luxembourg: Publications Office of the European Union, 2026

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Contents

Abstract	5
Acknowledgements	6
Authors	6
1. Introduction	7
1.1. Basic information about the tax-benefit system	7
1.2. Social Benefits	9
1.2.1. Pensions	9
1.2.2. Unemployment benefit (<i>Indemnizația de șomaj</i>)	10
1.2.3. Health insurance benefits	11
1.2.4. Contributory parental benefits	12
1.2.5. Non-contributory benefits	12
1.2.6. Support schemes for compensating the increase of energy and food price	16
1.3. Social contributions	18
1.4. Taxes	19
1.4.1. Direct taxes	19
1.4.2. Consumption taxes	20
1.5. Main policy changes and modelling revisions	21
2. Simulation of taxes and benefits in EUROMOD	24
2.1. Scope of simulation	24
2.2. Order of simulation and interdependencies	28
2.3. Policy switches	30
2.4. Social benefits	32
2.4.1. Unemployment benefit (<i>Ajutorul de șomaj</i>) (<i>bun_ro</i>)	32
2.4.2. COVID-19 Wage Compensation Scheme (<i>Indemnizația de șomaj tehnic</i>) (<i>yemcomp_ro</i>)	33
2.4.3. COVID-19 Income Compensation Scheme for self-employed (<i>Indemnizația de sprijin COVID-19</i>) (<i>ysecomp_ro</i>)	34
2.4.4. COVID-19 Allowance for parental leave for the supervision of children in the event of temporary closure of educational establishments (<i>Indemnizația pentru zile libere platite pentru supravegherea copiilor în situația închiderii temporare a unităților de învățământ</i>) (<i>bplcomp_ro</i>)	35

2.4.5. State allowance for children (<i>Alocația de stat pentru copii</i>) (bchnm_ro).....	36
2.4.6. Medical leave and maternity allowance (<i>Concedii medicale și indemnizații pentru maternitate</i>) (bmact_ro).....	37
2.4.7. Paternity leave indemnity (<i>Indemnizația pentru concediul paternal</i>) (bpact_ro).....	38
2.4.8. Child raising indemnity(<i>Indemnizația pentru creșterea copilului</i>) (bccnw_ro).....	38
2.4.9. Child raising incentive (<i>Stimulentul lunar</i>) (bccrw_ro).....	39
2.4.10. Minimum social pension/ social allowance for pensioners (<i>Pensia minima garantată</i>) (bsaoa_ro).....	40
2.4.11. Means-tested educational allowance (Money for High-School) (<i>Sprijin financiar acordat elevilor din cadrul programului național de protecție socială 'Bani de liceu'</i>) (bched_ro)	41
2.4.12. Guaranteed minimum income (<i>Venitul minim garantat</i>) (bsa_ro).....	42
2.4.13. Support allowance for families with children (<i>Alocația pentru susținerea familiei</i>) (bchmt_ro).....	44
2.4.14. Minimum inclusion income (<i>Venitul minim de incluziune</i>) (bsa00_ro).....	45
2.4.15. Means-tested heating benefit (<i>Ajutorul pentru încălzirea locuinței</i>) (bhoen_ro).....	48
2.4.16. Food vouchers (<i>Tichete sociale pentru produse alimentare și mese calde</i>) (bsatm_ro)	51
2.4.17. Vouchers for students (<i>Vouchere pentru elevi</i>) (bedtm_ro).....	52
2.4.18. Cultural vouchers for students (<i>Tichete culturale pentru elevi</i>) (bedestm_ro).....	52
2.4.19. Educational vouchers (<i>Tichete educationale</i>) (bedtmot_ro).....	52
2.4.20. Support for low-income pensioners (<i>Sprijin pentru pensionarii cu venituri reduse</i>) (bsaoatm_ro).....	53
2.4.21. Employee Social Insurance Contributions (<i>Contribuții în cadrul bugetului asigurărilor sociale de stat,</i>) (tscee_ro).....	54
2.4.22. Employer Social Insurance Contributions (<i>Contribuția asiguratorie pentru muncă</i>) (tscer_ro).....	54
2.4.23. Self-employed Social Insurance Contributions (<i>Contribuții în cadrul bugetului asigurărilor sociale de stat, contribuții în cadrul asigurărilor pentru șomaj</i>) (tscse_ro).....	54
2.4.24. Health Insurance Contribution (active population and pensioners) (<i>Contribuția de asigurări sociale de sănătate</i>) (tschl_ro).....	55
2.4.25. Credited Health Insurance Contributions (<i>Contribuția de asigurari sociale de sanatate plătită din alte surse decât venitul persoanei asigurate</i>) (tscchl_ro).....	56
2.4.26. Other social contributions.....	57
2.5. Personal income tax.....	57

2.5.1. Tax unit.....	57
2.5.2. Exemptions.....	58
2.5.3. Tax allowances.....	59
2.5.4. Tax base.....	60
2.5.5. Tax schedule.....	60
2.5.6. Tax credits.....	60
2.6. Consumption taxes.....	61
2.6.1. VAT (il_tva).....	61
2.6.2. Ad-valorem excises (il_t xv).....	62
2.6.3. Specific excises (il_t xa).....	62
3. Data.....	65
3.1. General description.....	65
3.2. Data adjustment.....	66
3.3. Imputations and assumptions.....	66
3.3.1. Time period.....	66
3.3.2. Gross incomes.....	66
3.3.3. Disaggregation of harmonized variables.....	67
3.4. Uprating.....	68
3.5. Extended input data (with household expenditures for the simulation of consumption taxes)	68
4. Validation.....	70
4.1. Aggregate Validation.....	70
4.1.1. Components of disposable income.....	70
4.1.2. Validation of market incomes.....	71
4.1.3. Validation of taxes and social contributions.....	71
4.1.4. Validation of benefits.....	71
4.1.5. Income inequality.....	73
4.1.6. Poverty rates.....	73
4.2. Validation of minimum wage.....	73
4.3. Summary of “health warnings”.....	73
References.....	75

List of abbreviations and definitions 76

List of figures..... 79

List of tables..... 80

Annexes 82

 Annex 1. Uprating Factors..... 82

 Annex 2. Policy Effects in 2024-2025..... 85

 Annex 3. Validation Tables..... 88

Abstract

The EUROMOD Country Reports have the double function of describing the scope of the EUROMOD simulations, including the underlying assumptions, and providing the validation of these simulations against official statistics. The Country Report for Romania is prepared by the Romanian EUROMOD National Team each year, and made available by the JRC on time for the EUROMOD stable release of the model at the beginning of each year.

Acknowledgements

The work was carried out jointly by the EUROMOD core development team, based at the JRC in Seville, and the Romanian national team.

Authors

The key contributors to this update were:

- Eva Militaru, Madalina Popescu, Denisa Vasilescu, and Amalia Cristescu, as members of the national team for Romania
- Mattia Ricci and Kajetan Trzcinski, as JRC developers responsible for Romania

1. Introduction

EUROMOD is the tax-benefit microsimulation model for the European Union (EU). It enables users to calculate in a comparable manner the effects of taxes and benefits on household incomes and work incentives for the population of each Member State and for the EU as a whole.

EUROMOD is yearly updated to cover the most recent changes in countries' tax and benefit policies. It uses input databases which are also regularly updated, derived from the European Union Statistics on Income and Living Conditions (EU-SILC) and matched with Household Budget Surveys (HBS). The model's update is supported by the following Directorate-Generals and Services of the European Commission: DG EMPL, DG ECFIN, DG TAXUD, SG REFORM, DG JRC, DG ESTAT.

EUROMOD was originally maintained, developed and managed by the Institute for Social and Economic Research (ISER). In 2021, these responsibilities were taken over by the Joint Research Centre (JRC) of the European Commission, in collaboration with Eurostat and 27 national teams from the EU countries. Currently the EUROMOD governance structure consists of a Steering Committee, allowing partner DGs to monitor the process of the EUROMOD update, and a Scientific Advisory Board to monitor and guide the scientific development of the model.

This report documents the work done in the most recent annual update for Romania. It provides an overview of the Romanian tax-benefit system in 2022-2025 and of how these policies are implemented in EUROMOD. The results presented are derived using EUROMOD version J2.0+, and they may not match those obtained using earlier or later versions of the model.

The EUROMOD model and software, together with extensive information and documentation, are available online:

- EUROMOD homepage: <https://euromod-web.jrc.ec.europa.eu/resources/documentation>
- Downloads: <https://euromod-web.jrc.ec.europa.eu/download-euromod>
- Documentation: <https://euromod-web.jrc.ec.europa.eu/resources/documentation>
- Glossary of EUROMOD terms: <https://euromod-web.jrc.ec.europa.eu/resources/glossary>

1.1. Basic information about the tax-benefit system

- The tax-benefit system is largely a unified, national system.
- In Romania the fiscal year coincides with the calendar year (1st of January – 31st of December).
- The statutory retirement age is 62 years for women and 65 years for men.
- The minimum school leaving age is 16 (compulsory education in Romania is 10 years – primary, lower secondary and two years of upper secondary education); the child is dependent until the age of 18 or until the age of 26 when in education and not married.

- According to the law, a lone parent is a person who is unmarried, widower, divorced or has a spouse declared missing by court order that lives together with dependent children (own, adopted, put into foster care or in tutorship or curatorship).
- The income tax system is an individual system, with spouses being assessed independently.
- Income is taxed by income source. Some income sources are exempted from personal income tax: income from social assistance and social insurance benefits except for pensions (above a threshold) and temporary work incapacity benefit. Romania has a flat income tax of 10% for individuals and of 16% for companies. There are some exceptions regarding personal income tax. Income from gambling activities is taxed with a rate between 1% and 25% (depending on the income level). The other exception is the property transfer tax, which is between 2% and 3%. Employees in IT sector, working in certain activities and occupations are exempt. Also, workers in the construction sector, in manufacturing construction materials and architecture, engineering and consultancy activities for constructions benefit of exemption. From 2022, employees in agriculture and food industry are exempt from personal income tax. However, in 2024, several of the above exemptions have been limited. Some income categories from independent activities are taxed at the source - a share of 10% of the gross income minus the mandatory social contributions is retained at source. This is considered anticipated tax payment. At the end of the financial year the anticipated payment is compared to the real duty and compensation is made in favour of the taxpayer or the state budget.
- Social benefits are indexed annually based on changes in the Social Reference Indicator (SRI), which has been automatically adjusted since 2022 in line with the previous year's average annual inflation rate. Other benefits not linked to the SRI are also indexed each year using the same inflation measure. The value of the pension point is annually indexed with a weighted average of annual inflation and the real growth rate of the average gross wage.
- For most means-tested benefits, the family's monthly income is assessed. In this context, 'family' refers to a husband and wife, or a husband, wife, and their unmarried dependent children—up to age 18, up to age 26 if enrolled in education, or over 18 if they have a severe or pronounced disability—provided they live together both in practice and officially and share household resources. Single individuals are also considered a family unit for assessment purposes. In determining the net monthly income of the family all the incomes earned by all members are considered, including those from the state social insurance rights, unemployment insurance, legal liabilities for dependant persons, indemnities, allowances and benefits with permanent character and other claims. In the case of certain benefits, the potential income obtained through the exploitation of certain goods that are not considered to be basic necessity goods is also considered. According to the provision of Law no. 196/2016, some types of benefits and indemnities are disregarded from income assessment, such as: family benefits; social benefits for persons with disability and other persons with special needs; all types of scholarships, including tickets for kindergarten; sums received for participation in professional training programs; heating benefits and the energy supplements; income earned by day labourers and by domestic provider; support provided from the state budget or non-reimbursable funds, other type of support occasionally received by beneficiaries.
- Consumption taxes consist of (1) VAT with three rates (one standard and two reduced), (2) harmonised excises on tobacco, alcohol, fuel and energy.

1.2. Social Benefits

1.2.1. Pensions

Romania has a three-pillar based pension system:

1st pillar: *public pay-as-you-go scheme*: contributions are compulsory for employees, and self-employed; the total contribution rate differs depending on working conditions.

2nd pillar: *mandatory private contributions*; compulsory for employed individuals under 35 years and voluntary for individuals aged between 36 and 45 years (the age limits refer to 2008, when the 2nd pillar was introduced); contribution rate: 5% of gross wage in 2015 (carved down from the public social insurance contribution rate), but decreasing to 3.75% from 2018.

3rd pillar: *voluntary contributions*; the contribution rate should not exceed 15% of individual disposable income.

In the public pillar (*Law no.263/2010 on the public pension system and other social insurance rights*), the benefit is calculated based on the pension point; one pension point is equivalent to 1785 RON (2023). The entire contribution record of the insured person is taken into account.

Old-age pension (*Pensia pentru limită de vârstă*) is provided to individuals who have reached retirement age: 65 years for men and 63 years for women (to be reached gradually in 2030, according to Law no. 263/2010). A minimum length of the contribution career is required. The statutory retirement age and the required length of the contribution career depend on working conditions.

Working conditions, as defined by *Law 19/2000* can include: normal, unusual and special. The unusual working conditions are those that can permanently affect in certain periods the working capacity of the insured person because of the high risk of exposure to harmful conditions; the special working conditions are considered: mining; exploring, exploitation and manufacturing of nuclear raw materials for the 1st and 2nd degree exposure to radiations, civil aviation, certain artistic activities.

According to Law no. 263/2010, if the full length of the contribution career is fulfilled totally or partly in unusual working condition or in special working conditions, the statutory retirement age can be reduced for up to between 8 and 20 years depending on the length of the contributory history in unusual/special conditions and what the unusual/special conditions are.

Early retirement pension/ early partial retirement pension (*Pensia anticipată/anticipată parțial*) is available to individuals up to 5 years before the legal pension age.

Contribution career: full contribution career or full contribution career exceeded with no more than 8 years for early partial retirement pension/ full contribution career exceeded with at least 8 years for early retirement pension.

The pension rights are calculated as in the case of old-age pensions; for early partial retirement pension, the pension is reduced according to the reduction of the length of the contribution period.

Survivors' pension (*Pensia de urmaş*). Those eligible for this pension include surviving children or the spouse of a pensioner or a person who was entitled to a pension in the public pillar.

- Children are eligible if they are younger than 16 or 26 years assuming they are still attending school.
- The spouse is eligible for survivors' pension at standard statutory retirement age if he/she has been married for at least 15 years to the deceased. If the marriage lasted less than 15 years, but more than 10 years, the pension rights are reduced by 0.5% per month and 6% per year. If the spouse has 1st or 2nd degree invalidity, he/she has the right to survivors' pension if the marriage lasted for at least one year. The length of the marriage period is not an issue if the death is a result of work accidents or professional disease, if the spouse does not earn income from professional activities or their amount is less than 35% of the average gross wage.

The amount of the benefit is differentiated according to the number of survivors: 100% of the entitlement for three or more, 75% for two and 50% for one survivor.

Invalidity pension (*Pensia de invaliditate*). An employee is eligible for an invalidity pension in the case of total or at least 50% loss of his working capacity as a consequence of a work accident, professional disease or any other kind of accident and disease not related to work. According to the degree of loss in work capacity and the work place requirements, the invalidity pension can be of 1st, 2nd and 3rd degree.

The amount of the invalidity pension is calculated by allotting a potential contribution period as the difference between the length of the statutory full contribution period and the length of effective contribution period until the moment the invalidity occurred.

The 1st degree invalidity pensioners are eligible for a monthly allowance to pay for an attendant, in the amount of 80% of the value of a pension point.

1.2.2. Unemployment benefit (*Indemnizația de șomaj*)

The basic legislation applicable to the unemployment benefit is *Law no. 76/2002 regarding the unemployment insurance system and employment stimulation*, amended and supplemented and Government Decision no. 174/2002 approving the Methodological Norms for the enforcement of this law.

A person is defined as unemployed if over 16 years of age, not retired, not working and available to start work.

The GEO no. 126/2008 published in the Official Monitor on the 14th of October 2008 made a first step in eliminating the connection between the unemployment benefits and the level of the minimum guaranteed wage. Thus, the income obtained from legal activities for those that apply for unemployment benefits must be lower than the value of a reference social indicator in force. This reference social indicator in force is a quantum expressed in RON used in assessing eligibility for monetary social benefits. The quantum of the reference social indicator was established at 500 RON and can be changed through government decision according to consumer price index. After 2008 the value of this indicator remained unchanged until 2022, when it was started to be indexed with the inflation rate.

1.2.3. Health insurance benefits

The Basic Legislation related to the Health Insurance benefits is included in GEO no. 158/2005 regarding medical leave and health insurance allowances and *Law no. 95/2006 on health reform, Title VIII. Health insurance.*

Leave and indemnity for temporary work incapacity caused by regular diseases or accidents not connected to work (*Concediul și indemnizația pentru incapacitate temporară de muncă cauzată de boli obișnuite sau de accidente în afara muncii*) is offered for a maximum of 183 days in a period of one year. In case of special diseases, the indemnity is offered for a longer period, up to one year and six months in a period of two years.

The gross monthly quantum of this indemnity is 75% of the calculation base, determined as the average of monthly income for six months out of the 12 months that represent the contribution period. In case of special diseases such as AIDS, tuberculosis, cancer and so on the quantum is 100% of the calculation base. The insured persons are entitled to leave and indemnity for temporary work incapacity without a contribution period in case of medical-surgical emergencies, tuberculosis, certain contagious diseases, cancer or AIDS.

Indemnities for the prevention of diseases and recovery of work capacity (*Concedii medicale și indemnizații pentru prevenirea îmbolnăvirilor și recuperarea capacității de muncă, exclusiv pentru situațiile rezultate ca urmare a unor accidente de muncă sau boli profesionale*) include the indemnity for reducing the working time by a quarter of the normal duration and the quarantine indemnity.

The indemnity for reducing the working time is offered for a maximum of 90 days in a period of 12 working months and its quantum is equal to the difference between the calculation base previously mentioned and the gross income of the employee working with diminished working time, without exceeding 25% of the calculation base.

The quarantine indemnity is offered to insured people that cannot continue their activity because they suffer from contagious diseases. Its quantum is 75% of the above-mentioned calculation base.

Medical leave and maternity allowance (*Concedii medicale și indemnizații pentru maternitate*). Insured women are entitled to receive medical leave for pregnancy and confinement for a period of 126 days and during this period they receive maternity allowance.

Pregnancy leave is granted for a period of 63 days before giving birth, while confinement leave is granted for a period of 63 days after giving birth. The two types of leaves can compensate each other, according to the medical recommendation, but the minimum duration of confinement leave is of 42 days. Insured women that are entitled to disability benefits may receive, upon request, a medical leave for pregnancy, from the 6th month of pregnancy. The gross monthly amount of maternity allowance is 85% of the calculation base. This indemnity is financed entirely from the budget of the National Fund of Health Insurance.

Leave and indemnity for caring for an ill child (*Concedii medicale și indemnizații pentru îngrijirea copilului bolnav*). Insured persons can benefit of leave and indemnity for caring for children up to the age of 7 or in case of children with disabilities up to the age of 18. The maximum duration for this indemnity is 45 days per year for one child with some exceptions, in case of certain diseases, when this duration can be extended. The quantum is 85% of the calculation base.

Leave and indemnity of maternal risk (*Concedii medicale și indemnizații de risc maternal*)

This indemnity is offered without requirement of a minimum contribution period and its amount represents 75% of the calculation base (average monthly income for the last 10 months prior to the solicitation, based on which the social insurance contribution was paid).

1.2.4. Contributory parental benefits

Indemnity for child raising (*Indemnizația pentru creșterea copilului*) is created as a replacement income for persons on leave to care for young children. The benefit is awarded until the child reaches the age of 2 or 3 (in case of disabled children). The benefit is contributory and intended to provide an income source for parents unable to work due to child-care responsibilities. It applies to all parents who, within the two years preceding childbirth, earned taxable income for at least 12 months, as defined by the Fiscal Code. This includes income from wages, self-employment, copyright royalties, and agricultural activities, as well as equivalent periods recognized by law.

Monthly incentive (*Stimulentul lunar*) is an incentive to return to work offered to a person who normally is providing care for a young child and would have benefited from the indemnity for child raising. The incentive is granted until the child reaches the age of 3 years, respectively 4 years in the case of disabled children. It can be received, optionally, by any of the child's natural parents, or by the person who was entrusted with the child in view of adoption, the person that adopted the child, the person that has the child in foster care or in emergency foster care or the person that was appointed guardian of the child. The incentive is received by the persons that were entitled to receive the indemnity for child raising and earn professional income subject to taxation. It cannot be received at the same time with the indemnity for child raising.

1.2.5. Non-contributory benefits

State allowance for children (*Alocația de stat pentru copii*) is a universal right granted monthly to families with children (up to the age of 18 or above that age when attending secondary or vocational education, or up to the age of 26 years in the case of young people with disabilities enrolled in pre-university education).

Support Allowance for families with children (*Alocația pentru susținerea familiei*) is a means-tested benefit granted monthly to support poor families with children (up to the age of 18). The income threshold depends on the number of persons in the family. It was introduced in the Law no. 277/2010 that came into effect from the 1st of January 2011 and has substituted the Complementary family allowance (*Alocația familială complementară*) and the Support allowance for single-parent family (*Alocația de susținere pentru familia monoparentală*). As of January 1, 2024, the allowance has been replaced by the minimum inclusion income, namely the component *aid for families with children*.

Allowance for family placement (*Alocația de plasament familial*) is given to children up to the age of 18 or in case of those included in the educational system, throughout their studies, but without exceeding the age of 26. It is targeted towards children in foster care, children put under guardianship, dependent children in the process of adoption, children given to maternal assistants. Children with disabilities benefit from this allowance increased by 50%.

Support indemnity (Indemnizația de sprijin): the person or family who has received a child in foster care or has been designated or appointed as the guardian of a child, under the terms of the law, for the period in which they ensure the child's upbringing and care, benefits, in addition to the monthly allowance for family placement, from a **monthly support allowance**.

Emergency aids (Ajutorul de urgență) are benefits designed to support families that face justifiable emergency situations or emergency circumstances due to natural disasters, fires, accidents, and other special situations established by law. The benefit is given both to Romanian citizens and to stateless persons and foreign citizens, with Romanian residence. The amount is established based on the assessment of the situation through social inquiry fiche carried out by specialized personnel from the public social assistance service from the city hall level, or, as the case may be, from the County Agency for Payments and Social Inspections.

House heating aid (Ajutorul pentru încălzirea locuinței) is given as support to poor families who cannot afford the expenses of house heating during the cold season. The aid is given to spouses and other persons - Romanian citizens, stateless persons, and foreign citizens with residence in Romania - that share the same residence, are registered in the building book and are taken into consideration in calculating the dwelling maintenance costs, whether family relations exist. The benefit is given monthly during the cold season, between November 1st and March 31st next year. It is means-tested.

The conditions and the amounts are differentiated according to the type of heating – energy provided in the centralized system, natural gas or wood, coal and oil fuel, electricity.

In case the heating is provided via a centralized system, the quantum of the aid consists of a percentage of the amount that must be paid by the household. The percentage that will be compensated is established according to the average monthly net income per family member.

Starting from 2022, an **energysupplement (supliment pentru energie)** for all beneficiaries of house heating aid is given, throughout the entire year. The value of the supplement depends on heating type.

Benefits for refugees (Ajutorul rambursabil pentru refugiați) are granted to stateless persons and foreign citizens with the status of refugee or who have been granted a form of subsidiary protection. The benefit is paid monthly for a limited period of time of maximum 12 months, if, for objective reasons, the person is deprived of the necessary means of subsistence (initially granted for 6 months, with the possibility of extension up to 12 months).

Monthly indemnity for the adult with severe visual disability, designated for the payment of the attendant (Indemnizația lunară pentru adultul cu handicap vizual grav, destinată plății însoțitorului) is granted to Romanian citizens, stateless persons, and foreign citizens with residence in Romania, monthly, in a quantum that is equivalent to the net salary of a junior social worker with secondary education from the budgetary sector.

The beneficiaries are the adults with severe visual disabilities who have been medically certified to have severe visual impairments, irrespective of their incomes. The benefit is not means-tested.

Monthly indemnity for adults with severe and marked disabilities (Indemnizația lunară pentru adulții cu handicap grav sau accentuat). Beneficiaries are adults who have been

medically certified to have severe or marked disabilities, irrespective of their income. It is granted to Romanian citizens, stateless persons and foreign citizens with residence in Romania.

Complementary personal budget for people with disabilities (*Bugetul personal complementar pentru persoanele cu dizabilități*). Beneficiaries include adults with documented disabilities established by a medical certificate, regardless of their income. It is granted to Romanian citizens, stateless persons and foreign citizens with residence in Romania.

Social benefit for children with disabilities (*Prestația socială pentru copiii cu handicap*). The beneficiary of the social benefit is the child medically certified as disabled, during the validity period of the certificate. The holder of the social benefit payment is the legal representative of the child.

Guaranteed minimum income (*Venitul minim garantat*). Poor families are granted social assistance in an amount determined as the difference between the levels established by the law as guaranteed minimum income and the net monthly income of the family or single person. The income of the family is taken into consideration in assessing the right to this benefit. The means are tested through social inquiry. Both income and assets may be included in the means test. As of January 1, 2024, the benefit has been replaced by the minimum inclusion income, the component *social inclusion aid*.

Aid for partial covering of funeral expenses (*Ajutorul de înmormântare*) is given to families and single persons that receive social aid according to the provisions of the law regarding the guaranteed minimum income (Law no. 416/2001). The funeral expenses of persons in this category are paid from the funds allocated for the payment of social aid. As of January 1, 2024, the benefit has been included within the minimum inclusion income program, and is granted for the beneficiaries of *social inclusion aid*.

Monthly food allowance for children and adults infected with HIV or AIDS (*Indemnizația lunară pentru copiii și adulții infectați cu HIV sau bolnavi de SIDA*). It is a benefit granted to children or adults of Romanian nationality or with Romanian residence, infected with HIV or AIDS, regardless of their income.

Contribution to health insurance for the beneficiaries of the indemnity for child raising (*Contribuții pentru asigurările de sănătate aferente indemnizației pentru creșterea copilului*). It is targeted at persons that receive the indemnity for child raising. The county agencies for payment and social inspection are required to send monthly, to the Territorial Health Insurance Houses, the individual health contributions and the names of the beneficiaries. It is not a means-tested benefit.

The nursery voucher (*Tichet de creșă*) is designed to help families with children to cover child care expenses. It is given to employees from state and private companies who are not eligible for child raising leave and allowance. The nursery vouchers can only be used to pay for nursery services. Nursery vouchers are given upon request to a parent or to a tutor that is looking after the child entrusted.

Financial aid to purchase computers (*Euro 200 Program*) (*Ajutor financiar în vederea achiziționării de calculatoare*) is a benefit targeted towards increasing the access to information

and communication technologies for children from poor families. Beneficiaries are families with children (below the age of 26) studying in accredited public or private educational institutions, if the gross monthly income per family member is below a certain threshold established by law. The threshold is indexed annually, by Government decision, based on the consumer prices index.

The family receives financial assistance to purchase only one new personal computer, irrespective on the number of children in education.

The **financial support for students in the national social protection program “Money for highschool”** (*Sprijin financiar acordat elevilor din cadrul programului național de protecție socială “bani de liceu”*) is designed to improve the access to education for children from poor families. Beneficiaries are children who are enrolled in day education, in high schools or vocational schools and are dependent on families whose gross monthly income per family member in the last three months preceding the application is below a certain threshold. As the budget for this benefit is limited, additional criteria may be taken into account for families with the same levels of income.

The financial support is received monthly during the academic year and may be terminated in case of unjustifiable absenteeism or disciplinary issues.

The beneficiaries of the national programme of social protection “money for school” cannot simultaneously receive the ‘social grants’ for students.

Social grants (*Bursele de ajutor social*) are given to children attending classes in pre-university and university education, depending on the financial situation of the family or in other cases established by law. Since 1st of January 2024, according to minimum inclusion income reform, the school-age children from families receiving inclusion aid are *ex officio* beneficiaries of the social school grant.

Scholarships for tuition, scholarships for further education, adult literacy grants, according to Law 116/2002. These can include:

- **Scholarships for tuition** (*Bursa de școlarizare*) can be received by people of school age who attend compulsory education and belong to families with two or more dependent children that are entitled to social aid under the Law no 416/2001 regarding the guaranteed minimum income.
- **Scholarships for further education** (*Bursa pentru continuarea studiilor*) are granted to compulsory education graduates who continue their studies in pre-university schools and in higher education institutions and who belong to families with two or more dependent children that are entitled to social aid under the Law no 416/2001 regarding the guaranteed minimum income.
- **Literacy grants** (*Bursa de alfabetizare*) are given to adults who participate in regional literacy programs. The beneficiaries must be older than 14 and in one of the following situations: they have never attended compulsory education courses; they haven’t completed primary education or have attended primary education but have not acquired basic knowledge.

The granting of these scholarships is conditional upon class attendance and academic results. The levels of the tuition scholarships and scholarship for further education are set annually by the

Government and the amounts are paid from the budget of the Ministry of Education or local budgets.

The level of the literacy scholarship is decided by different local authorities.

Guaranteed minimum social pension/ Social allowance for pensioners (*Pensia socială minima garantată*). This social benefit has entered into force from April 1st, 2009. Beneficiaries are public pension system retirees with residence in Romania, if the pension amount, due or in payment is less than the guaranteed minimum social pension.

The quantum is calculated as the difference between the guaranteed minimum social pension level and the pension amount due or in payment. Starting with 2010, the guaranteed minimum social pension level is set annually by the state budget law and can only be increased by correcting the state budget in relation to the evolution of macroeconomic indicators and financial resources.

Minimum Inclusion income (*Venitul minim de incluziune*) has been introduced from January 1, 2024 (Law no. 196/2016). This is a social assistance, means-tested benefit for families and individuals facing material difficulties, aimed to prevent or alleviate the risk of poverty and social exclusion. The benefit replaces the minimum guaranteed income and the support allowance for families with children. The benefit has two components: (1) Inclusion aid, intended for poverty and social exclusion alleviation, and (2) Aid for families with children, aiming to prevent poverty and promote children's participation in education. The benefit amount is calculated as the difference between income thresholds and family/ individual net income in the month preceding the claim (except for social assistance benefits, state allowance for children, scholarships, income received by daily workers, educational voucher, heating aid, energy supplement, and others). A list of assets restricts the eligibility to receiving the benefit. The new program contains an integrated package of support measures in key areas, such as: employment, social services, education, health, housing, all helping to reduce the risk of poverty and social exclusion.

1.2.6. Support schemes for compensating the increase of energy and food price

Energy supplement (*Suplimentul pentru energie*) was the first social protection measure adopted by the Government in order to compensate for the increase in energy prices. It has been introduced through *Law no. 226/2021 on social protection measures for vulnerable energy consumers*. The benefit is income tested, it is granted monthly, during the entire year and its scope is to partially cover for the energy consumption of households. Its amount is differentiated by types of energy (centralized system, electricity, natural gas, solid fuels).

Support scheme for the payment of electricity and natural gas bills (*Schema de sprijin pentru plata facturilor aferente consumului de energie electrică și gaze naturale*). The benefit is designed as to compensate for the unit prices of electricity and natural gas (*Government Emergency Ordinance no.118/2021 on establishing compensation measures for electricity and natural gas consumption, Government Emergency Ordinance no.27/2022 on measures for final consumers on the electricity and natural gas markets*). Households pay a reference price per unit of consumption, lower than the market price. The price compensations are subject to a ceiling and are granted only to households with electricity/ natural gas consumption between a lower and upper threshold. The extension of the measure until June 30, 2025, according to *GEO no. 6/2025 concerning the measures applicable to final customers in the electricity market during the period 1 April 2025 - 30 June 2025, respectively the measures applicable to final customers in the natural*

gas market during the period 1 April 2025 - 31 March 2026, as well as for amending and supplementing some regulatory acts in the energy field;

Food vouchers (*Tichete sociale pentru produse alimentare și mese calde*). In June 2022, through the governmental program *Support for Romania*, a series of measures have been adopted aiming to compensate for the high increase in energy and food prices. Vulnerable categories are entitled to receive the benefits consisting of vouchers for the purchase of food products and hot meals (only from June to December 2022, and then extended for the following years). The vouchers were received by the following categories:

1. Pensioners and disabled persons (with severe, accentuated, or moderate disabilities), with monthly net income lower or equal to a threshold.
2. Families with at least 2 dependent children and single-parent families, whose monthly net income per family member is less than a threshold.
3. Families which benefit of the guaranteed minimum income or minimum inclusion income.
4. Homeless persons, as they are regulated according to the legal provisions in force.

For the period 2025 - 2027, social vouchers on electronic support for food products and hot meals will be granted, in the amount of 125 lei, once every 6 months. The categories of beneficiaries of social vouchers include pensioners of the public pension system, pensioners registered in sectoral pension houses and beneficiaries of rights granted under special laws, paid by territorial pension houses/sectoral pension houses, aged at least 65 years on the date of processing the request, who benefit from social indemnity, persons - children and adults - with severe, significant or moderate disability, with monthly income less than or equal to 2.000 lei, as well as families and single people who have established the right to inclusion aid.

Support for low-income pensioners (*Sprijin pentru pensionarii cu venituri reduse*). Through the same governmental program *Support for Romania*, pensioners from the public system, the state military pension system and the beneficiaries of rights provided by special laws, with monthly income less than or equal to 2,000RON, received a lump sum benefit of 700RON, in July 2022. Also, in January, the Government adopted through an emergency ordinance a financial aid for public system pensioners with pensions less than or equal to 1,600RON. The benefit is a lump sum representing the difference between 2,200RON and their pension rights for January 2022. In 2023, the support increased its coverage, by extending eligibility to all pensioners with monthly income less than or equal to 3,000RON. The benefit amounts in 2023 are regressive with income. In 2024, the benefit was no longer in place, but in 2025 it was reinstated as a lump sum of 800 RON per year, paid in two equal instalments to pensioners with pensions under 2,574 RON.

Vouchers for students (*Vouchere pentru elevi*). The same governmental program *Support for Romania* entitles students receiving social scholarships (from low-income families) to receiving vouchers of 30 euros per month (from April 2022 until December 2022, except for the summer holiday months, in total for 7 months) for food, supplies and clothes.

Educational vouchers (*Vouchere educaționale*) for students from vulnerable families. They benefit of a lump sum of 500RON per year to be used for school supplies and clothes. Beneficiaries are preschool, primary, and lower secondary school children if the monthly net income per family member is below a threshold, set by educational level.

Cultural vouchers for students (*Vouchere culturale pentru elevi*) for lower and upper secondary students (according to Law no. 198/2023) is aimed to promote culture in schools and among students. It is a lump sum of 250RON per year to be used for participation to concerts, museum, entrance fees, books, cultural or historical travels. Its implementation started in September 2024.

1.3. Social contributions

The Romanian social contribution system consists of three types of social contributions, levied on employers and/or employees, self-employed or on voluntary insurance contracts. These were the following:

- social insurance contributions
- health insurance contributions
- work insurance contribution

From 2018, the social contributions system has undergone major reforms, as most of the burden of contributions has been transferred from employers to employees.

Social insurance contributions (*Contribuții în cadrul bugetului asigurărilor sociale de stat*) are paid on a mandatory basis by employers, employees and self-employed and also by the National Employment Agency on behalf of the unemployed. The categories of individuals who are mandatorily insured in the public social insurance system are: employees, self-employed and unemployed.

Unemployment insurance contributions (*Contribuția în cadrul bugetului asigurărilor pentru șomaj*). In the unemployment insurance system both employees and persons who hold elective positions or other persons who earn income based on a labour agreement (no insurance is due for persons working under a civil agreement, although they may insure voluntarily) are mandatorily insured, according to the *Law no. 76/2002 on unemployment*.

The level of the unemployment contribution rate was set by the *Law on Social Insurance Budget* on an annual basis. The unemployment insurance contribution rate has different levels for employers, employees and the voluntarily insured. The base for the calculation of the unemployment insurance contribution was the total gross wages for employers, the gross wage for employees and the insured sum for voluntary insurance contracts (also self-employed), but not less than the statutory minimum wage. The contribution was collected in the unemployment insurance budget.

The unemployment insurance contribution has been eliminated starting from 2018.

Health insurance contributions (*Contribuția de asigurări sociale de sănătate*). All Romanian citizens who live in Romania and some foreign citizens are insured in the sense of the *Law no. 95/2006 on the reform of the health system* if they pay the health insurance contribution. The health insurance contract is individually signed either directly or through an employer, for employees. Some categories are insured without paying contributions (see section 2.5.4). Similarly, some categories benefit from contributions being paid on their behalf (see section 2.5.4 for details). The contribution is collected to the health insurance budget.

Health insurance contributions for medical leave and indemnities (*Contribuția pentru concedii și indemnizații de asigurări sociale de sănătate*) is paid by employers and the self-employed. The contribution base is the total gross wages for employers and the insured income for self-employed (cannot be higher than the value of 12 minimum guaranteed wages). The contribution is collected in the health insurance budget and its purpose is to cover the payment of medical leave and indemnities. This contribution is no longer in place starting from 2018.

Work accidents and professional disease insurance contributions (*Contribuția de asigurări pentru accidente de muncă și boli profesionale*) is paid by all employers and self-employed. The rate is differentiated according to the classification of economic activities (NACE). The contribution base is the total gross wages at employer level (the sum of all employees' gross wages) and the insured income for self-employed (cannot be lower than the national minimum gross wage). The contribution is collected in the social insurance budget. The contribution has been eliminated starting from 2018.

Contribution for the salary payment guarantee fund (*Contribuția la fondul de garantare pentru plata creanțelor salariale*) is paid by all employers, except for public institutions. Its purpose is to guarantee the right to salary to employees in the case the company is legally declared to be insolvent. The contributory base is the total gross wages at employer level (the sum of all employees' gross wages). The contribution is collected in the salary payment guarantee fund. This contribution is no longer in place starting from 2018.

1.4. Taxes

The Romanian tax system has undergone some major changes from 2000, when a tax reform made the Romanian fiscal regime simpler and more uniform. In 2004, the new Fiscal Code entered into force and brought important exemptions and facilities, but in the following years the changes that took place in the Fiscal Code, except for the introduction of the flat income tax of 16% for individuals and companies, were mainly in favour of higher taxation. The most important direct taxes that are levied through the Romanian tax system are *income tax* and *real estate taxes*, while the indirect taxes include *value added tax (VAT)* and *excise taxes*.

1.4.1. Direct taxes

Personal Income Tax (*Impozitul pe venit*). The personal income tax is paid by individuals at a flat rate of 10% since 2018 levied on the income tax base. The personal income tax is paid by the Romanian residents, but also by non-residents who are involved either in a dependent activity in Romania or in an independent activity through a permanent headquarters on the Romanian territory.

Real Estate Taxes (*Impozite și taxe pe proprietate*). Real estate taxes consist of a tax on buildings and a tax on land. These taxes are collected by municipalities.

- *Building tax* is levied on all buildings in Romania, except for state-owned buildings, buildings owned by municipalities and by public institutions, churches, historical monuments, schools, public hospitals. Other buildings that are exempted from building tax are buildings used as hothouses, hotbeds, silos, or buildings owned by foundations or associations and which are used for social or humanitarian activities.

For individuals, the building tax is calculated as 0.1% of the taxable value of the building, per year. The calculation of the taxable value considers three elements: the construction material used for the building, the *building facilities* (water installation, sewage, electrical and heating installation), and various *geographical elements* (the rank of the municipality and the location of the building within the municipality). The taxable value thus calculated is then reduced by a percent corresponding to the *age of the building*: 20% for building older than 50 years, 10% for a building which was built between 30 and 50 years ago.

If the building is used for dwelling and has more than 150m², the taxable value is multiplied by 5% for every 50m² or fraction thereof which exceeds the above-mentioned threshold.

Individuals who own more than one building are additionally taxed. The increment is applied to the taxable value of the second (65%), third (150%) or fourth (300%) building.

The building tax is paid yearly in two stages and if paid in advance, it is reduced by 10%.

- *Land tax* is levied on all land in Romania, except for land own by churches, cemeteries, schools, universities, hospitals or other public institutions, state bodies or municipalities if not used for commercial purpose. Land roads, lands which are not suited for agricultural or forestry activities, land used for fighting against floods, used for water sources or underground exploitation purposes, land connected to hydro technical systems, navigation roads, and harbour infrastructure are also exempted from the tax.

The land tax is paid by the owner and calculated based on area, municipality rank and location within the municipality and usage of the land.

The land tax is paid yearly in two stages and if paid in advance, the tax is reduced by 10%.

- *Vehicle tax* is paid for all vehicles registered in Romania, except for cars and motorcycles owned by disabled persons and adapted to their disability, cars owned by public institutions and conveyances used for public transportation. The vehicle tax is paid by the owner and differs by vehicle type and cylinder capacity. The tax is paid yearly into the local budgets in two stages and if paid in advance, the tax is reduced by 10%.

1.4.2. Consumption taxes

Value Added Tax (VAT) (*Taxa pe valoarea adăugată*). The VAT is levied on the supply of goods and services provided on the Romanian territory by a VAT taxpayer because of an economic activity and the imported goods from non-EU countries. VAT is also levied on the import of new vehicles and goods which are subject to excise tax from EU countries. The taxpayer is a person who carries out, independently and irrespective of location, economic activities, no matter what the purpose and result of these activities. The tax base is the price for the supply of goods and services and the custom value for imported goods.

The standard VAT rate is 19% (since 2017) and for specific product categories reduced rates apply. For cultural services and supply of books, newspapers, magazines, entrance fees to historical settlements and museums, zoos and botanical gardens, firewood and thermal heating a 5% rate is applied. A reduced VAT rate of 9% is applied on medicines, medical prostheses, orthopaedic products, access to cultural events and institutions; renewable energy; specified housing sales; food and non-alcoholic beverages; water supply.

Excise tax (Accize). In Romania the excise taxes are applied on the following products: alcohol and alcoholic beverages, processed tobacco, fuel and energy products.

1.5. Main policy changes and modelling revisions

The main changes in the tax and benefit system in 2025, compared to previous years are:

- All PIT and social contributions exemptions for specific sectors have been eliminated.
- The support for low-income pensioners, suspended in 2024, was reintroduced in 2025.
- The income thresholds for the educational vouchers were increased.
- The tax allowance for the personal income tax due on employment income has been increased.
- The benchmark for the supplementary tax deduction for young employees was raised, as it is tied to the minimum statutory wage. The indexation of the Social Reference Indicator (ISR) was suspended in 2025 as part of fiscal austerity measures, leaving the thresholds and values of the benefits that are linked to it unchanged (unemployment benefit, minimum child raising benefit, placement allowance, disability benefits).
- The indexation of the state allowance for children, and the minimum pension threshold were also suspended as part of the austerity measures.
- Increasing the amount of the allowance for the companion of a person with severe visual impairment in January 2025;
- Indexation of the Minimum Inclusion Income, in March 2025, with the average annual inflation rate of the year 2024, namely by 5.6%;

Table 1.1 Main policy changes [2020 - 2024]

Policies	2021 → 2022	2022 → 2023	2023 → 2024	2024 → 2025
Benefits			State allowance for children	Support for low-income
	State allowance for children	State allowance for children	Child raising allowance	Minimum Inclusion Income
	Child raising allowance	Child raising allowance	Minimum social pension	Benefits for persons with disability
	Minimum social pension	Minimum social pension	Minimum inclusion income	Educational vouchers
	Support for low-income pensioners	Support for low-income pensioners	Minimum guaranteed income	
	Vouchers for students, temporary benefit in 2022	Vouchers for students, temporary benefit in 2022	Support allowance for families with children	
	Heating aid	Educational vouchers	Educational vouchers	
Food vouchers		Cultural vouchers for students		
			Food vouchers	
Social insurance contributions	Social contributions for agricultural and food sectors	Social contributions for agricultural, food and construction sectors	Social contributions for agricultural, food and construction sectors	Social contributions for agricultural, food and construction sectors
Direct taxes			Income tax deduction on employment income	Income tax deduction on employment income
	Personal income tax for agricultural and food sectors	Income tax deduction on employment income	Personal income tax for agricultural, food, construction and IT sectors	Personal income tax for agricultural, food, construction and IT sectors
Consumption taxes	VAT	VAT	VAT	VAT
	Excises	Excises	Excises	Excises
Other		Covid-19 compensation		

Source: Romanian legislation in the field of social benefits and fiscal policy.

2. Simulation of taxes and benefits in EUROMOD

2.1. Scope of simulation

Not all the taxes and benefits mentioned in the previous section are simulated in EUROMOD. Some are beyond its scope entirely and are neither included in the EUROMOD database nor in its output income variables. Others are not possible to simulate accurately with the available data. They are included in the database and may be chosen as components of output variables, but the rules governing them may not be changed by the model.

Table 2.1 presents the Romanian benefits system, underlining the manner in which various benefit instruments are treated in EUROMOD, while Table 2.2 presents the tax and contribution system in Romania explaining their simulation in EUROMOD. Note that we have used the following abbreviated notation, to mark how detailed the simulation of taxes and benefits is:

- “-”: policy did not exist in that year;
- “E”: policy is *excluded* from the model’s scope as it is neither included in the microdata nor simulated by EUROMOD;
- “I”: *included* in the micro-data but not simulated;
- “PS”: policy is partially simulated as some of its relevant rules are not simulated;
- “S”: policy is simulated although some minor or very specific rules may not be simulated.

Table 2.1 Simulation of benefits in EUROMOD

	Variable name(s)	Treatment in EUROMOD				Why not fully simulated?
		2022	2023	2024	2025	
Old age benefits (Old age pension, Early retirement pension)	poa	I	I	I	I	No data on contribution record
Survivors' pension	psu	I	I	I	I	No data on contribution record
Invalidity pension	pdi00	I	I	I	I	No data on contribution record
Unemployment benefit	bun_s	PS	PS	PS	PS	No data on the contribution history needed to estimate the bonus benefit, no simulation of the benefit for graduates (non-contributory)
Sickness benefit (Indemnity for temporary work incapacity caused, Indemnity for maternal risk)	bhl	I	I	I	I	No data on contribution history and sickness occurrence
Maternity benefit (Maternity allowance)	bmact_s	S	S	S	S	
Paternity leave indemnity	bpact_s	S	S	S	S	
State allowance for children	bchrm_s	S	S	S	S	
Means-tested family benefits	bchmt_s	S	S	-	-	
Child raising indemnity		S	S	S	S	No data on contribution record for the previous year to childbirth, after 2009, the simulation of the amount is based on the imputed wage
	bccrw_s					
Child raising incentive	bccrw_s	S	S	S	S	
Leave and indemnity for the caring of the ill child	-	E	E	E	E	No information in micro-data, no information on child disability or illness
Heating aid (Means-tested heating benefit)	bhoen_s	S	S	S	S	Asset test not fully implemented
Financial benefits	-	E	E	E	E	Discretionary benefit; No information in micro-data
Emergency benefits	-	E	E	E	E	Discretionary benefit; No information in micro-data
Benefits for refugees	-	E	E	E	E	No information in micro-data
Disability benefit (Monthly indemnity for adults with severe and marked disabilities, Complementary personal budget for adults with disabilities)	bdi	I	I	I	I	No information on the degree of disability

	Variable name(s)	Treatment in EUROMOD				Why not fully simulated?
		2022	2023	2024	2025	
Monthly allowance for the adult with severe visual disability, designated for the payment of the attendant	-	E	E	E	E	No information on the type and degree of disability
Social assistance (Guaranteed minimum income)	bsa_s	S	S	-	-	Asset test not fully implemented; work test not implemented
Minimum inclusion income	bsa00_s	-	-	S	S	
Food vouchers 2022 (Tichete sociale)	bsatm_s	S	S	S	S	
Aid for partial covering of funeral expenses	-	E	E	E	E	No information in micro-data, no information on event occurrence
Monthly allowance of food for children and adults infected with HIV or AIDS	-	E	E	E	E	No information in micro-data
The nursery voucher	-	E	E	E	E	No information in micro-data
Financial aid to purchase computers (Euro 200 Program)	-	E	E	E	E	No information in micro-data
Money for High -School (Means-tested educational allowance)	bched_s	S	S	S	S	Asset test not fully implemented; sanctions due to absenteeism from school not simulated
Vouchers for students 2022	bedtm_s	S	S	-	-	
Educational vouchers 2023	bedtmot_s	-	S	S	S	
Cultural vouchers for students	bedestm_s	-	-	S	S	
Scholarships	-	E	E	E	E	No information in micro-data
Minimum social pension	bsaoa_s	S	S	S	S	
Support for low-income pensioners 2022	bsaoatm_s	S	S		S	
Severance payments	yunsv	I	I	I	I	No detailed information in the dataset, no information on the occurrence of the firing event
COVID-19 wage compensation scheme paid by the state	bwkmcee_s	S	-	-	-	
COVID-19 wage compensation scheme paid by the firm	yemmc_s	S	-	-	-	
COVID-19 self-employment income compensation scheme paid by the state	bwkmcse_s	S	-	-	-	
COVID-19 compensation for parental leave paid by the state	bplmc_s	S	-	-	-	

Notes: “-”: policy did not exist in that year; “E”: *excluded* from the model as it is neither included in the micro-data nor simulated; “I”: *included* in the micro-data but not simulated; “PS” *partially simulated* as some of its relevant rules are not simulated; “S” *simulated* although some minor or very specific rules may not be simulated.

Some benefits use eligibility information from the data due to lack of information in the data to simulate all eligibility rules and are therefore only **partially simulated**. This is the case for the unemployment benefit (bun_s) in Romania. The benefit is only simulated for those with receipt of the benefit in the data.

Source: EUROMOD I 2.0+

Table 2.2 Simulation of taxes and social contributions in EUROMOD

	Variable name(s)	Treatment in EUROMOD				Why not fully simulated?
		2022	2023	2024	2025	
Personal income tax	tin_s	S	S	S	S	
Real Estate Tax	-	E	E	E	E	No information in micro-data on real estate
Indirect taxes	-	E	E	E	E	No information on consumption in the micro-data
Employee Social Insurance Contributions	tscee_s	S	S	S	S	
Benefit Recipients Social Insurance Contributions	tscbr_s	S	S	S	S	
Self Employed Social Insurance Contributions	tscse_s	S	S	S	S	
Health insurance contribution (active population and pensioners)	tschl_s	S	S	S	S	
Credited Health insurance contribution	tscchl_s	S	S	S	S	
VAT	-	S	S	S	S	Calculations based on extended input files with consumption expenditures from HBS
Excise duties	-	S	S	S	S	Calculations based on extended input files with consumption expenditures from HBS

Notes: “-” policy did not exist in that year; “E” policy is *excluded* from the model’s scope as it is neither included in the microdata nor simulated by EUROMOD; “PS” policy is *partially simulated* as some of its relevant rules are not simulated; “S” policy is *simulated* although some minor or very specific rules may not be simulated.

Source: EUROMOD I 2.0+

There are no significant structural changes regarding policy simulations during 2022-2025.

2.2. Order of simulation and interdependencies

The following table shows the order in which the main elements of the Romanian tax and benefit system in 2020–2023 are simulated. As the Romanian system did not face significant structural changes within this period, we use one table to display policy simulations over the four years' span. The defined order shows that Romanian policy simulations start with the minimum wage. This choice is made to check minimum wage policy implementation for observed salaries first, as employment income is used in many following policies either explicitly or implicitly.

Then we simulate the contributions prior to simulating the personal income tax, as most of them are on the list of deductibles for purposes of personal income taxation. To maintain consistency, we simulate the contributions together as a block, The Benefit Recipients Social Insurance Contributions (Credited social insurance contributions) are simulated after the Unemployment Benefit as they are also credited to unemployment benefit recipients.

After the personal income tax, we simulate the non-taxable benefits. The means-tested social benefits that are granted considering a list of preceding incomes, are simulated before consumption taxes.

The last policy included in the spine is tco_cc (consumption taxes). It is placed at the very end because consumption tax liabilities (VAT and excises) depend on household consumption expenditures, and these are estimated by the model based on the income shares (xs_* variables included in the input data) and simulated disposable income (ils_dispy). This is why before running any consumption tax policy simulation it is required to activate all the other policies intervening in the simulation of disposable income.

Table 2.3 EUROMOD Spine: order of simulation

Policy	2022	2023	2024	2025	Description of the instrument and main output
SetDefault_ro					DEF: set default values for various variables
uprate_ro	on	on	on	on	DEF: Uprating factors
constDef_ro	on	on	on	on	DEF: Constants
ilsDef_ro	on	on	on	on	INC: Standardized income concepts
ilsubdef_ro	on	on	on	on	DEF: Standard UDB Income Concepts
ildef_ro	on	on	on	on	DEF: Income concepts
tundef_ro	on	on	on	on	DEF: Assessment units
yem_ro	off	off	off	off	SWITCH:Minimum Wage /yem (Salariul minim brut)
neg_ro	on	on	on	on	INC:Correction of self-employment income
random_ro	on	off	off	off	DEF: random assignment for COVID wage compensation schemes
bmact_ro	on	on	on	on	BEN: Medical leave and maternity allowance (Concedii medicale și indemnizații pentru maternitate)
bpact_ro	on	on	on	on	BEN: Paternity leave allowance
yemcomptime_ro	on	off	off	off	DEF: months and hours in wage compensation scheme (yemcomp_ro)
yemcomp_ro	on	off	off	off	BEN: Wage compensation scheme COVID-19 (Indemnizația de șomaj tehnic)
yemadj_ro	on	off	off	off	INC: Wage recalculation after wage compensation

yemmyadj_ro	on	off	off	off	DEF: yemmy recalculation after wage compensation
ysecomptime_ro	on	off	off	off	DEF: months in compensation scheme for self-employed (ysecomp_ro)
ysecomp_ro	on	off	off	off	BEN: Self-employment income compensation scheme COVID-19 (Indemnizația de sprijin COVID-19)
yseadj_ro	on	off	off	off	INC: Self-employment income recalculation after compensation
ysemyadj_ro	on	off	off	off	DEF: ysemy recalculation after self-employment compensation
bplcomp_ro	on	off	off	off	BEN: COVID-19 Allowance for parental leave for the supervision of children in the event of temporary closure of educational establishments (Indemnizația pentru zile libere platite pentru supravegherea copiilor în situația închiderii temporare a unităților de învățământ)
tscee_ro	on	on	on	on	SIC: Employee Social Insurance Contributions (Contributii in cadrul bugetului asigurarilor sociale de stat, contributii in cadrul asigurarilor pentru somaj)/ tscee_s
tscer_ro	on	on	on	on	SIC: Employer Social Insurance Contributions (Contributii in cadrul bugetului asigurarilor sociale de stat, contributii in cadrul asigurarilor pentru somaj)/ tscer_s
bun_ro	on	on	on	on	BEN: Unemployment benefit (Ajutorul de somaj)/ bun_s
tscbr_ro	on	on	on	on	SIC: Benefit Recipients Social Insurance Contributions (Contributii in cadrul bugetului asigurarilor sociale de stat, contributii in cadrul asigurarilor pentru somaj)/ tscbrpi_s
tscse_ro	on	on	on	on	SIC: Self-Employed Social Insurance Contributions (Contributii in cadrul bugetului asigurarilor sociale de stat, contributii in cadrul asigurarilor pentru somaj)/ tscse_s
tschl_ro	on	on	on	on	SIC: Health insurance contributions (active population & pensioners) (Contributia de asigurari sociale de sanatate)/ tschl_s
bchnm_ro	on	on	on	on	BEN: State allowance for children (Alocatia de stat pentru copii)/ bchnm_s
bccnw_ro	on	on	on	on	BEN: Child raising allowance (Indemnizatia pentru cresterea copilului)/ bccnw_s
bccrw_ro	on	on	on	on	BEN: Child raising incentive (Stimulentul lunar)/ bccrw_s
tinta_ro	on	on	on	on	TAX: Optimization for the allocation of the tax allowance/ temp_tin_ro
tin_ro	on	on	on	on	TAX: Personal Income Tax (Impozitul pe venit)/tintb_s

bchba_ro	n/a	n/a	n/a	n/a	BEN: Allowance for new born children and the outfit for the new born children (Alocatia pentru copiii nou-nascuti si trusoul pentru nou-nascuti)/ bchba_s
bsaoa_ro	on	on	on	on	BEN: Minimum social pension/ social allowance for pensioners (Pensia minima garantata)/ bsaoa_s
bsaoatm_ro	n/a	on	off	on	BEN: Suport for low income pensioners 2022 (Sprijin pentru pensionarii cu venituri reduce)/ bsaoatm_s
bched_ro	on	on	on	on	BEN: Means-tested educational allowance (Money for High-School) (Sprijin financiar acordat elevilor din cadrul programului national de protectie sociala 'Bani de liceu')/ bched_s
bedtm_ro	n/a	on	off	off	BEN:Vouchers for students 2022 (Vouchere pentru elevi)/ bedtm_s
bsa_ro	on	on	off	off	BEN:Guaranteed min income (Venitul minim garantat)/ bsa_s
bsa00_ro	n/a	n/a	on	on	BEN: Minimum inclusion income (Venitul minim de incluziune)/ bsa00_s
tscchl_ro	on	on	on	on	SIC:Credited health insurance contributions + contributions of the inactive/tscchl_s
bchmt_ro	on	on	off	off	BEN: Means-tested family benefits (Alocatia familiala complementara si Alocatia de sustinere pentru familia monoparentala)/ bchmt_s
bhoen_ro	on	on	on	on	BEN: Means-tested heating benefit (Ajutorul pentru incalzirea locuintei)/ bhoen_s
bedtmot_ro	n/a	n/a	on	on	BEN: Means-tested educational vouchers (Vouchere educationale)/ bedtmot_s
bedestm_ro	n/a	n/a	on	on	BEN: Cultural vouchers for students (Tichete culturale pentru elevi)/ bedestm_s
bsatm_ro	n/a	on	on	on	BEN:Food vouchers 2022 (Tichete sociale)/ bsatm_s
tco_ro	off	off	off	off	TAX: Consumption taxes
output_std_ro	on	on	on	on	DEF: Standard output individual level
parben_output_std_ro	switch	switch	switch	switch	DEF: Parental Benefits Output individual Level
output_std_hh_ro	on	on	on	on	DEF: Standard output at household level

Source: EUROMOD I 2.0+

2.3. Policy switches

There are five switches used in the RO model.¹

¹ Policy switches are denoted with 'switch' in the policy spine (for a given policy year), while their default values (*on* or *off*) are set in a separate dialogue box in the model, accessed via Country Tools > Set Switches in the EUROMOD User Interface (UI).

First, there is a switch controlling **benefit take-up modelling** (*BTA_ro*), which is set by default to *on* in the baseline for all years. If the switch is set to *on* then partial take-up is applied (the default), otherwise (*off*) full take-up is assumed. Its purpose is to adjust the calculation of the minimum guaranteed income by removing eligibility from heads of households that are under 26 years of age on the assumption that the majority of these are students.

The **Tax Compliance Adjustments** (*TCA_ro*) switch is implemented for the adjustment of tax compliance (social insurance, health insurance, income tax) in the case of self-employed in agriculture, living in rural areas with income level below the average gross wage. It is assumed that if the above conditions are satisfied, then the individual does not pay taxes. It is set to *on* by default in the baseline for all years.

Next is the **Uprating by Average Adjustment** (*UAA_ro*) switch, which is *off* by default in the baseline for all years. When switched on, non-simulated benefits (especially pensions) are uprated by changes in the average rather than by using statutory indexation rules (the default).

The **Parental Benefits** (*PBE_ro*) switch, is set to *off* by default in the baseline for years 2015 onwards. It controls the Medical Leave and Maternity Allowance (*bmant_ro*), and the Paternity Leave Allowance (*bpact_ro*) policies.

Finally, the **Minimum Wage Adjustments** (*MWA_ro*) switch, replaces employment income with the minimum hourly wage whenever employment income adjusted for hours and time in employment is less than the minimum. It is set to *off* by default in the baseline for all years.

The **HHoT Monthly Unemployment (HHoT_mu)** extension enables a monthly unemployment benefit simulation, similar to the approach used by the OECD TaxBEN for the calculation of monthly Net Replacement Rate (NRR) indicators. Those indicators measure to what extent a person's previous income from work is maintained after a certain number of months in unemployment. With this extension, unemployment benefit amounts are calculated with respect to a *specific month* of the unemployment spell and are then converted to annual amounts by multiplying by 12. By default, this extension is switched off; it is only set to on when the model is used for the calculation of the NRR indicators.

Consumption Inflation Adjustment (CIA) extension: it enables users to simulate price (inflation) shocks under the assumption that households do not immediately adjust their consumption patterns (constant quantities) in response to a sudden change. This extension can only be enabled if used together with Consumption Taxes add-ons CT_XBASE and CT_XCQ, respectively baseline and constant quantities. By default, this extension is switched OFF. Switching ON the inflation simulation (without changing parameters) allows users to apply [official annual inflation rates](#) between two consecutive years (sourced from [Eurostat](#) and [DG ECFIN's latest quarterly forecasts](#)) as stored in the Consumption Taxes (CT) table by *\$tco_base_upr_[COICOP]*. Users can also simulate their own hypothetical price shock scenarios at COICOP level 1 (2-digits) categories, with the Housing & Utilities split between Energy and other. To do so users should modify constants *\$tco_CIA_** in *ConstDef_cc*. For example, what if annual inflation for food was 5% instead of the officially recorded? Changing *\$tco_CIA_01* to 5% for food and non-alcoholic beverages, multiplies the expenditures of foods and non-alcoholic beverages by 1.05. For the CIA extension to work properly, the users will need to add a new variable *ydsyc_a* to the input data recording for each household the disposable income growth between two consecutive years. [HINT: Run systems *t* and *t+1*.

Compute household disposable income for each year. For each household calculate $ydsyc_a = (hh_dpi_{t+1} - hh_dpi_t)/hh_dpi_t$

2.4. Social benefits

2.4.1. Unemployment benefit (*Ajutorul de șomaj*) (bun_ro)

— Brief description

Unemployment benefit (*Ajutorul de șomaj*) is a benefit for unemployed individuals which depends on previous earnings and contributions to the insurance scheme.

— Eligibility conditions

The unit of analysis is the individual (tu_individual_ro).

Unemployed individuals are eligible for receiving the unemployment benefit if they have a minimum contribution period of 12 months in the last 24 months preceding the date of benefit claiming and they have no employment/self-employment income or the income they obtain is below a threshold. This threshold was established at the level of the statutory ISR which was at 525.5 RON for 2022, 598 RON for 2023 and 660 RON for 2024 and 2025

— Income test

There is no income test. However, the unemployed person should have no employment/self-employment income or the income he/she obtains from such activities should be below the set threshold.

— Benefit amount

Between 2020 and 2023 the unemployment benefit is set related to a reference social indicator (called ISR) with a value of 500 RON, instead of the minimum guaranteed wage. The **amount** paid to the **unemployed** depends on the contributory record, as follows:

1. The statutory ISR, for people with a contribution period of at least one year
2. The amount stipulated above plus an amount calculated by applying a differentiated rate (according to the contribution period) on the gross average monthly salary during the last 12 months of contribution period. Differentiated rates according to the eligibility period have the following values:
 - 3% for those with a contribution period of at least 3 years
 - 5% for people with a contribution period of at least 5 years
 - 7% for people with a contribution period of at least 10 years
 - 10% for those with a contribution period of at least 20 years.

The unemployment benefit is granted to people **assimilated as unemployed** for a period of 6 months and it is a monthly fixed amount, which represents 50% of ISR, and it is awarded to those assimilated as unemployed (graduates older than 16, persons ending military service unable to find employment) once per every form of education graduated.

The payment of unemployment benefits is financed by the unemployment insurance budget.

- No income tax or social insurance contributions due by the beneficiary. The social insurance contribution for pensions is credited by the National Employment Agency from the Unemployment Insurance Budget.

Duration

Unemployment benefits are awarded to the **unemployed**, for a period with a length depending on the contributory period, as follows:

- 6 months, for people with a contribution period of at least one year and for those assimilated as unemployed
- 9 months, for people with a contribution period of at least 5 years
- 12 months, for people with a contribution period of more than 10 years.

The people assimilated as unemployed receive it for 6 months.

EUROMOD Notes: No account is included of part-time employment; all employment months are considered as full-time employment. Benefits for persons assimilated to the unemployed (i.e., graduates) are not simulated. Contribution history is imputed by assuming that the unemployed person worked the same number of months during each year of the qualifying period, i.e., the number of months worked during the income reference period. Eligibility closely matches observed receipt in the micro data. To determine the amount of benefit and its duration, the contributory period considered is based on the individual's entire work history.

2.4.2. COVID-19 Wage Compensation Scheme (*Indemnizația de șomaj tehnic*) (yemcomp_ro)

— Definitions

The wage compensation scheme covers employees whose employment contracts have been suspended at the employer's initiative as a consequence of the pandemic caused by the spread of COVID-19 (legal framework – *Government Emergency Ordinance No. 30/2020* regarding certain social protection measures for the reduction of the impact of the pandemic caused by the infection with the novel Coronavirus COVID-19, amended by *Government Emergency Ordinance No. 32/2020*, and by *Government Emergency Ordinance No. 111/2020* for 2021). The compensation is no longer in place starting from 2023.

— Eligibility conditions

The benefit is given to employees employed at a company which has been affected by the spread of COVID-19 and consequently has reduced or interrupted partially or entirely its activity. Applications for the wage compensation schemes are submitted by employers for their employees, via email, to the county level employment agencies in the territorial areas where the companies are based.

— Income test

The benefit is not means-tested.

— Benefit amount

The monthly amount of the benefit is 75% of the gross basic salary but limited to 75% of the average gross salary under the law of the public social insurance budget for 2020, which is equal to 5,429 RON (the equivalent of approx. 1,120 EUR), thus resulting in a maximum amount of 4,072 RON (the equivalent of approx. 840 EUR).

The entire amount is paid by the State. Nevertheless, employers may supplement this amount up to the limit of 75% of the gross basic salary previously earned by the employee.

The duration of the benefit has been at first for 60 days, during the emergency state decreed by the Government, but it has been extended afterwards for the industries where the restrictions are kept, including for 2022 (until 31st of March).

The benefit is subject to taxation and payment of social contributions according to the Fiscal Code, except for the work insurance contribution due by the employer.

EUROMOD Notes: The simulation produces two variables – the amount paid by the state and the amount paid by the firm. As the firm's contribution is on voluntary basis, it is assumed that in 50% of eligible cases, companies top-up the amount up to 75% of gross wages. Receipt of the COVID-19 wage compensation scheme is simulated to be random based on external statistics on the share of workers affected by industry. Workers are assumed to receive wage compensation for the entire duration of the policy if they are observed to be in employment for longer than 2 months. If months in work is equal or lower than the maximum duration of the policy, the worker is assumed to receive wage compensation for the number of months he is employed with a probability equal with the number of months in employment divided 12. Workers are assumed to not work any hours while in the compensation scheme.

2.4.3. COVID-19 Income Compensation Scheme for self-employed (*Indemnizația de sprijin COVID-19*) (ysecomp_ro)

— Definitions

The income compensation scheme covers self-employed who are in the situation of interrupting or reducing their activity as a consequence of the pandemic caused by the spread of the novel Coronavirus COVID-19, (legal framework – *Government Emergency Ordinance No. 30/2020* regarding certain social protection measures for reduction of the impact of the pandemic caused by the infection with the novel Coronavirus COVID-19, amended by *Government Emergency Ordinance No. 32/2020* and by *Government Emergency Ordinance No. 111/2020* for 2021). The compensation has been eliminated as starting from 2023.

— Eligibility conditions

The benefit is given to self-employed without employees who have been affected by the spread of COVID-19 and consequently have reduced or interrupted partially or entirely their activity.

— Income test

The benefit is not means-tested.

— Benefit amount

The monthly amount of the benefit is 75% of the average gross salary under the law of the public social insurance budget for 2020, which is equal to 5,429 RON (the equivalent of approx. 1,120 EUR), thus resulting a benefit amount of 4,072 RON (the equivalent of approx. 840 EUR).

The entire amount is paid by the State. The duration of the benefit has been at first for 60 days, during the emergency state decreed by the Government, but it has been extended afterwards for the industries where the restrictions are still kept, including for 2022 (until 31st of March).

The benefit is subject to taxation and payment of social contributions according to the Fiscal Code.

EUROMOD Notes: Receipt of the COVID-19 self-employment income compensation scheme is simulated to be random based on external statistics on the total share of self-employed affected. Self-employed are assumed to receive income compensation for the entire duration of the policy if they are observed to be in self-employment for longer than the duration of the policy. If months in self-employment are equal or lower than the maximum duration of the policy, the self-employed is assumed to receive income compensation for the number of months he is self-employed with a probability equal with the number of months in self-employment divided 12.

2.4.4. COVID-19 Allowance for parental leave for the supervision of children in the event of temporary closure of educational establishments (*Indemnizația pentru zile libere platite pentru supravegherea copiilor în situația închiderii temporare a unităților de învățământ*) (bplcomp_ro)

— Definitions

The allowance can be received by one of the parents of a child in the event of temporary closure of educational establishments during the COVID-19 crisis (legal framework – *Law no 19/2020* on the allowance for parental leave for the supervision of children in the event of temporary closure of educational establishments, *Government Emergency Ordinance No. 30/2020* regarding certain social protection measures for reduction of the impact of the pandemic caused by the infection with the novel Coronavirus COVID-19, amended by *Government Emergency Ordinance No. 32/2020* and by *Government Emergency Ordinance No. 111/2020* for 2021). The receipt of the benefit has been extended until the end of the school year (25th of June 2021).

— Eligibility conditions

Both parents have to be in employment in the public or private sector (not in medical leave, childcare leave or of other kind, not in technical unemployment), the job does not allow home-based or telework, and the child should be under 12 years of age and enrolled in education.

The following exceptions are considered: (1) if the child is disabled and enrolled in education, the eligibility is extended until the age of 18; (2) if the child has a severe disability, the requirement on education enrolment is not necessary.

Some other exceptions concern the economic sector of employment: (1) parents working in defence, penitentiary system, health and social services are not eligible for this allowance, but could benefit of salary raise according to the number of working days during the emergency period; (2) for parents working in the national energy system units, social assistance units, telecommunications, units that provide public transportation and sanitation, in the supply of gas, electricity, heat and water, food trade, production and distribution of medicines and medical equipment, fuel distribution,

staff of pharmaceutical units, etc. the granting of days off is done only with the consent of the employer.

— Income test

The benefit is not means-tested.

— Benefit amount

The daily amount of the benefit is 75% of the gross basic salary but limited to 75% of the average gross salary under the law of the public social insurance budget for 2020, which is equal to 258 RON per day (the equivalent of approx. 53 EUR), thus resulting in a maximum amount of 194 RON per day (the equivalent of approx. 40 EUR). It has been applied also in 2022, by June 30.

The benefit is paid by the State. The benefit is subject to taxation and payment of social contributions according to the Fiscal Code.

The benefit is received only during the period when the educational establishments are closed.

EUROMOD Notes: Receipt of the COVID-19 compensation for parental leave is simulated to be random based on external statistics on the total share of beneficiaries. They are assumed to receive income compensation for the entire duration of the policy if they are observed to be in employment for longer than the duration of the policy. If months in employment are equal or lower than the maximum duration of the policy, the employed is assumed to receive income compensation for the number of months he is employed with a probability equal with the number of months in employment divided 12.

2.4.5. State allowance for children (*Alocația de stat pentru copii*) (bchnm_ro)

— Brief Description

The state allowance for children is a monthly universal non-means-tested non-taxable benefit paid to families with children below an age limit.

— Definitions

The unit of analysis is the family (tu_family_ro). It is defined as consisting of the head, partner, own dependent children and loose dependent children. Are considered as dependent children individuals under the age of 18 or under the age of 26 for young adults with disability, if in education, not themselves parents and not married.

— Eligibility conditions

Entitled are households with children below the age of 18.

The benefit is also given to children older than 18, if the recipient is attending secondary education, or to young adults with disability, under the age of 26 years old, who follow a form of pre-university education provided by law .

— Income test

The benefit is not income tested.

— Benefit amount

The benefit amount depends on the age and disability status of the child as follows:

Table 2.4 State allowance for children (*Alocația de stat pentru copii*) (bchnm_ro)

	2022	2023	2024	2025
Aged under 2 (or below 3 if disabled)	1.142 ISR	631 RON	719 RON	719 RON
Aged 2 and above, not disabled	0.462 ISR	256 RON	292 RON	292 RON
Aged 3 and above, disabled	1.142 ISR	631 RON	719 RON	719 RON

Source: Law No. 61/1993 on the State Allowance for Children, subsequently amended and supplemented.

As of the 1st of January 2012 the quantum of the state allowance is established based on a reference social indicator (ISR). The ISR level established for 2022 is 525.5 RON. Starting from 2023, the amount of the benefit is changed according to the evolution of the annual inflation rate. In 2025, indexation was suspended as part of austerity measures aimed at reducing the fiscal deficit. **EUROMOD Notes:** No benefit is simulated for children who turn 18 during the income reference year. Increases in the amount of benefits awarded for disabled children are not simulated. The benefit is allocated to the mother if she is present in the household.

2.4.6. Medical leave and maternity allowance (*Concedii medicale și indemnizații pentru maternitate*) (bmact_ro)

— Definitions

Insured women are entitled to receive medical leave for pregnancy and confinement for a period of 126 days and during this period they receive maternity allowance. Pregnancy leave is granted for a period of 63 days before giving birth, while confinement leave is granted for a period of 63 days after giving birth. The two types of leaves can compensate each other, according to the medical recommendation, but the minimum duration of confinement leave is of 42 days. Insured women that are entitled to disability benefits may receive, on request, a medical leave for pregnancy, starting with the 6th month of pregnancy. The gross monthly amount of maternity allowance is 85% of the calculation base. This indemnity is financed entirely from the budget of the National Fund of Health Insurance.

— Eligibility conditions

6 months of insurance (payment of contributions) in the last 12 months.

— Duration

63 days prior to the birth and 63 days after birth. These periods may be compensated between one another according to medical advice and the option of the beneficiary, provided the period after confinement is longer than 42 days. Maternity leave cannot be taken on a part-time basis, but can be taken for intermittent periods, respecting the maximum duration of 126 days and the mandatory period of 42 days after birth.

— Benefit amount

85% of the average insured gross earnings over the last 6 months, paid during the period of maternity leave. The benefit is capped at 85% of 12 times the minimum gross wage.

— Taxation

Subject to social insurance contribution for pensions. Not subject to income tax and health insurance contribution.

2.4.7. Paternity leave indemnity (*Indemnizația pentru concediul paternal*) (bpact_ro)

— Eligibility conditions

The father who is employed (carries out an activity based on a work or service relationship concluded according to the law), without a minimum period of insurance.

— Duration

Fathers are entitled to a paternity leave of 10 working days (starting from 2023, prior it was limited to 5 working days). Fathers who graduated a course in childcare obtain a longer paternity leave (an extra 5 days). Paternity leave cannot be taken on a part-time basis or intermittently over a period. The benefit can be claimed within the first eight weeks following childbirth.

— Benefit amount

The amount of benefit for paternity leave is paid by the employer and is equal to 100% of the last salary of the father corresponding to the number of days in benefit receipt. . The indemnity is supported from the wage fund of the unit/employer, not from an insurance type budget.

— Taxation

Subject to social insurance contributions and personal income tax.

2.4.8. Child raising indemnity(*Indemnizația pentru creșterea copilului*) (bccnw_ro)

— Brief description

Child raising indemnity is a monthly universal non-means-tested non-taxable benefit paid to families with young children.

— Definitions

The unit of analysis consists of the head, partner, own dependent children, and loose dependent children – (tu_bcc_ro). The dependent child is defined as a child aged under 2.

— Eligibility conditions

The benefit is awarded to a parent of a child under the age of 2 (or under the age of 3, if disabled) as replacement income for the time when the parent is out of work to care for the child. This benefit is granted for each child, either natural or adopted, entrusted in the process of adoption, in foster care or emergency foster care (except when the child is entrusted to a professional maternal assistant) or in guardianship.

The recipient must have earned incomes subject to taxation according to the Fiscal Code (incomes from wages, self-employed activities, copyrights and agriculture activities, including from similar periods, according to the law) for at least 12 months prior to child birth.

The parents are allowed to gain income from work during the parental leave, in an amount which cannot exceed 8 times the value of the minimum indemnity, during one calendar year. The parent can obtain income of a salary nature, from the work performed, during the period of parental leave, if they have a collaboration opportunity or an ongoing project. The person remains suspended from the activity that was the basis of the leave, but can earn income based on another activity.

— Income test

The benefit is not income tested.

— Benefit amount

The child raising indemnity is granted up to the age of two and its amount is 85% of the average income for the last 12 months from the last two years prior to the childbirth, not less than a threshold (1250 RON in 2021, 1315 RON in 2022, 1495 RON in 2023 and 1651 RON in 2024). The minimum threshold is 2.5 times the statutory ISR. Starting from 2018 an upper ceiling was introduced at 8.500 RON per month.

Additionally, for multiple births (e.g., twins, triplets or new birth while receiving child raising indemnity), the amount is increased by 50% per child. The benefit is exempt from taxation and not subject to social security contributions.

EUROMOD Notes: The birth order of children is established considering only siblings present in the household. The benefit awarded for children aged between 2 and 3 and disabled is not simulated due to lack of information about the children's disability status. The benefit is simulated for all 12 months of the income reference period in the case of children aged 0 and it is not simulated for children turning 2 during the income reference period.

There is no information in the micro data relating to the activity status of the mother during the 12 months prior to childbirth. Instead, the condition relating to the contribution history of the parent is approximated by considering the duration of the entire work history, i.e., parents (mothers) who have worked for at least 12 months during their life are considered eligible. The increase in the amount of benefit for twins, triplets, etc. is not simulated. The benefit is simulated to be 85% of the previous gross average monthly income. As this income is not observed in the data, it is imputed based on a wage equation. The benefit is allocated to the mother if she is present in the household (i.e., the mother is considered by default to be the claiming parent).

2.4.9. Child raising incentive (*Stimulentul lunar*) (bccrw_ro)

— Definitions

The unit of analysis consists of the head, partner, own dependent children, and loose dependent children – (tu_bcc_ro). The dependent child is defined as a child under the age of 2.

— Eligibility conditions

The benefit is awarded to a parent entitled to receive the Child raising indemnity who chooses to return to work. This benefit is granted for each situation without limitation according to the number of births or other situations provided by law..

The incentive is granted to persons entitled to receive the Indemnity for child raising until the child reaches the age of 2, but they return to work, thus earning professional income subject to taxation. If the child is disabled, the person entitled to receive the Indemnity for child rising that returns to work before the child reaches the age of 3, will receive the incentive, in the same amount.

If the entitled persons obtain taxable income, at any time after the child reaches the age of 2 years, respectively 3 years in the case of the child with disabilities, the incentive is granted until the child reaches the age of 3 years, respectively 4 years in the case of the child with disabilities.

The recipient must have been working the 12 months from the last two years preceding the birth of the child.

The recipient must be obtaining employment income to receive this benefit.

In 2021, the value of the benefit has been increased for those parents who returned to work when the child is less than 6-month-old.

— Income test

The benefit is not income tested.

— Benefit amount

650 RON per month, if the child is over 6 months old

1500 RON per month, if the child is less than 6 months old.

The benefit is exempt from taxation and not subject to social security contributions.

EUROMOD Notes: The birth order of children is established considering only siblings present in the household. The benefit awarded for children aged between 2 and 3 and disabled is not simulated due to lack of information about the children's disability status. The benefit is simulated for all 12 months of the income reference period in the case of children aged 0 and it is not simulated for children turning 2 during the income reference period.

There is no information in the micro data relating to the activity status of the mother during the 12 months preceding birth. Instead, the condition relating to the contribution history of the parent is approximated by considering the duration of the entire work history, i.e., parents (mothers) who have worked for at least 12 months during their life are considered eligible. The benefit is allocated to the mother if she is present in the household (i.e., the mother is considered by default to be the claiming parent).

2.4.10. Minimum social pension/ social allowance for pensioners (Pensia minima garantată) (bsaoa_ro)

— Brief description

Minimum social pension (or social allowance for pensioners) is paid to public pension system retirees with residence in Romania, if the pension amount, due or in payment is less than the level of the guaranteed minimum social pension.

— Definitions

The unit of analysis is the individual (tu_individual_ro).

— Eligibility conditions

To receive a social allowance for pensioners, a person must be in receipt of a public pension, whatever its kind (old age, invalidity, survivor etc.).

— Income test

The pension amounts due or in payment in the public pension system, combined with any other duties paid under special laws (any public pensions plus private pensions) must be below the guaranteed minimum social pension threshold of 800 RON for 2021, 1000 RON for 2022, 1125 RON for 2023 and 1281 RON for 2024 and 2025.

— Benefit amount

The amount is assessed as the difference between the guaranteed minimum social pension level and the pension amount due or in payment in the public pension system, combined with any other duties paid under special laws.

EUROMOD notes: The minimum guaranteed pension is simulated for every month in receipt of a public pension. If two or more pensions have been received during the income reference period, the periods of receipt are assumed to be consecutive (but the sum cannot exceed 12 months).

2.4.11. Means-tested educational allowance (Money for High-School) (*Sprijin financiar acordat elevilor din cadrul programului național de protecție socială 'Bani de liceu'*) (bched_ro)

— Definitions

The unit of analysis is the family (tu_family_ro). It is defined as consisting of the head, partner, own dependent children, and loose dependent children. Are considered dependent children individuals under the age of 18, or under the age of 26 if in education, not themselves parents and not married. From 2024 onwards, the benefit is no longer granted.

— Eligibility conditions

The benefit is given to families with children below the age of 18 who are attending upper secondary education – high school. The family income per member must be lower than a threshold.

There is also an asset test enforced through social worker inquiries. The law establishes a list of goods of necessity that are considered in assessing the right to receiving this benefit. In case the family or single person owns only goods considered of necessity they are entitled to receive this benefit. In case the family or single person own goods that are not enlisted as necessity goods, they are not considered entitled to receiving the benefit.

If the family or single person owns necessity goods in an amount that exceeds the limit established by law, the potential income obtained through their exploitation is considered in assessing the net monthly income.

The list of basic necessity goods includes immobile goods (the family house and housing annexes) and mobile goods (gas cooker, refrigerator, washing machine, home heating system, computer, TV, furniture, and so on), land (differentiated according to the number of household members and to the type of crops that can be obtained), poultry and animals (in certain numbers) and other goods (clothing, personal hygiene and so on).

The benefit may be terminated in cases of unjustifiable absenteeism from school.

— Income test

The family income per member must be less than 500 RON per month in 2021 - 2023. All income received by each family member during the three months prior to application is considered, except for: state allowance for children, family support allowance, scholarships and social grants, and other social aids provided for students.

— Benefit amount

The amount of the benefit is 250 RON per month in 2021 - 2023.

EUROMOD notes: Sanctions due to absenteeism from school are not simulated. The asset test is only partially simulated (i.e. only financial capital and possession of a car are taken into account).

2.4.12. Guaranteed minimum income (*Venitul minim garantat*) (bsa_ro)

— Definitions

The unit of assessment is constructed for social assistance purposes; it consists of the head of the tax unit, the partner, their own dependent children and loose dependent children (tu_bsa_ro). To be considered a dependent child, an individual must be younger than 18 or younger than 26 and in education, not married and not a parent.

— Eligibility conditions

The benefit is given to the assessment unit if the monthly net income in the assessment unit is below a threshold, differentiated according to the number of persons in the assessment unit. The thresholds are listed below:

Table 2.5 Guaranteed min income thresholds (*Venitul minim garantat*) (bsa_ro)

(per month)	2021 - 2023
single person	0.283 ISR
families with 2 persons	0.510 ISR
families with 3 persons	0.714 ISR
families with 4 persons	0.884 ISR
families with 5 persons	1.054 ISR
for each person over the number of five persons belonging to the family	0.073 ISR

Source: Law No. 416/2001 on the Guaranteed Minimum Income, subsequently amended and supplemented.

There is also an asset test and a condition concerning community work for able bodied individuals of working age.

The law establishes a list of goods of necessity that are considered in assessing the right to receive this benefit. When the family or single person own(s) only goods considered of necessity they are entitled to receive the benefit. When the family or single person own(s) goods which are not listed as basic necessity goods, they are not considered entitled to receive the benefit.

If the family or single person own(s) necessity goods in an amount that exceeds the limit established by the law, the potential income obtained through their exploitation is considered in assessing the net monthly income.

The list of basic necessity goods includes immobile goods (the family house and housing annexes) and mobile goods (gas cooker, refrigerator, washing machine, home heating system, computer, TV, furniture, and so on), land (differentiated according to the number of household members and to the type of crops that can be obtained), poultry and animals (in certain numbers) and other goods (clothing, personal hygiene and so on).

Unemployed able-bodied working age adults must register as unemployed at the local Employment Office and not refuse to take up any job offers. The local authorities may require working age able bodied adults who are unemployed to do community work in return for receiving the benefit.

— Income test

The benefit is means-tested. There is an income test and an asset test.

Income subject to the means-test is: all gross market income (*ils_origy*) less employee SIC (*tscee_s*), less self-employed SIC (*tscse_s*), less personal income tax (*tin_s*), less health insurance contribution (*tschl_s*), plus old age pension (*poa*), plus disability pension (*pdi*), plus survivor's pension (*psu*), plus child raising allowance (*bccnw_s*), plus child raising incentive (*bccrw_s*), plus half of the amount of non means-tested child benefits (*bchnm_s*), plus unemployment benefit (*bun*), plus severance payments (*yunsv*), plus alimony/ maintenance payments (*xmp*), plus temporary sickness benefit (*bhl*), plus maternity benefit (*bma*), and plus guaranteed minimum pension/social allowance for pensioners (*bsaoa_s*).

— Benefit amount

The amount is the difference between the minimum guaranteed income level and the family's income. If the difference is less than 10 RON per month, than 10 RON is received as benefit. If there is at least one working adult in the unit, the benefit is increased by 15%.

EUROMOD notes: The income test is simulated using annual incomes and assuming that the monthly income has been constant throughout the income reference period. Thus, fluctuations in the family's monthly income throughout the reference year are not captured. The asset test is only partially simulated. Only financial capital and possession of a car are considered. The work test is not simulated.

EUROMOD offers the possibility to calibrate the receipt of social assistance by excluding units where the head is aged under 26 (these are likely to be students or young people still financially dependent on their parents).

The benefit has been removed in 2024, being replaced by the minimum inclusion income.

2.4.13. Support allowance for families with children (*Alocația pentru susținerea familiei*) (bchmt_ro)

— Definitions

The assessment unit is constructed for purposes of means-tested child benefits. It consists of the head of the tax unit, the partner, their own dependent children and loose dependent children (tu_bchmt_ro). For the single parent allowance, the head is the lone parent of the dependent children.

Dependent child condition: children under 16 or children under 18, who are not themselves parents and have an income below a threshold.

A person is considered to be a lone parent if she is a parent of dependent children, is not married and is not cohabiting.

— Eligibility conditions

Net monthly income per family member must be below a set threshold. There is also an asset test. The law establishes a list of goods of necessity that are considered in assessing the right to receive this benefit. When the family or single person own(s) only goods considered of necessity they are entitled to receive the benefit. When the family or single person own(s) goods that which are not listed as necessity goods, they are not considered entitled to receiving the benefit.

If the family or single person own(s) necessity goods in an amount that exceeds the limit established by law, the potential income obtained through their exploitation is considered in assessing the net monthly income.

The Law no. 277/2010 establishes that children of school age must attend school for their family to be receiving this benefit and absences without leave may lead to reductions of the benefit.

— Income test

Eligibility is subject to passing an income test. The income threshold depends on the number of persons assessed together as a family. Income subject to the means-test consists of the income used for the means-test of the guaranteed minimum income, plus guaranteed minimum income, plus means-tested "Money for high-school".

— Benefit amount

The amount is differentiated according to the number of dependent children in the tax unit. The amounts are presented below:

1. For the family consisting of husband, wife, and dependent children the thresholds and amounts were:

The thresholds and amounts are calculated as % of the ISR:

Table 2.6 Married couples, support allowance for families with children (bchmt_ro)

Benefit amount per month	2021-2023
<i>Per capita income threshold</i>	<i>up to 0.40 ISR</i>
1 child	0.164 ISR
2 children	0.320 ISR

3 children	0.492 ISR
4+ children	0.656 ISR
Per capita income threshold	<i>0.40 ISR to 1.06 ISR</i>
1 child	0.15 ISR
2 children	0.30 ISR
3 children	0.45 ISR
4+ children	0.60 ISR

Note: * ISR equal 500 RON.

Source: Law No. 277/2010 on Family Support Allowance, subsequently amended and supplemented.

- For the family consisting of lone parent living together with dependent children, the thresholds and amounts are the following:

Table 2.7 Lone parents, support allowance for families with children (bchmt_ro)

Benefit amount per month	2021-2023
<i>Per capita income threshold</i>	<i>up to 0.40 ISR</i>
1 child	0.214 ISR
2 children	0.428 ISR
3 children	0.642 ISR
4+ children	0.856 ISR
Per capita income threshold	<i>0.40 ISR to 1.06 ISR</i>
1 child	0.204 ISR
2 children	0.408 ISR
3 children	0.612 ISR
4+ children	0.816 ISR

Source: Law No. 277/2010 on Family Support Allowance, subsequently amended and supplemented.

EUROMOD notes: The income test is conducted using the annual income and not the monthly income-i.e. it is assumed that monthly income is constant throughout the year. The asset test is only partially simulated- only possession of a car and possession of financial capital are used in the simulation. Sanctions due for unauthorized absences from school are not simulated.

The benefit has been suspended in 2024, being replaced by the more generous minimum inclusion income for families with children.

2.4.14. Minimum inclusion income (*Venitul minim de incluziune*) (bsa00_ro)

— Definitions

The unit of assessment is constructed for social assistance purposes; it consists of the head of the tax unit, the partner, their own dependent children and loose dependent children (tu_bsa_ro). To be considered a dependent child, an individual must be younger than 18 or younger than 26 and in education, not married and not a parent.

— Eligibility conditions

The benefit is given to the assessment unit if the adjusted monthly net income in the assessment unit is below a threshold. Different thresholds are set for each of the two components of the

minimum inclusion income (1) support for inclusion and (2) support for families with children. One family can receive one or both components. The thresholds are listed below.

Table 2.8 Minimum inclusion income thresholds, 2024-2025 (Venitul minim de incluziune) (bsa00_ro)

		Threshold for the adjusted net monthly income 2024	Threshold for the adjusted net monthly income 2025
(1) Support for inclusion	Families	<=275/346 RON	<=366 RON
	Single adult aged 65+	<=400/504 RON	<=533 RON
(2) Support for families with children		<=275/346 RON	<=366 RON
		<=700/880 RON	<=930 RON

Source: Law No. 196/2016 on the Minimum Inclusion Income entered into force on January 1, 2024, subsequently amended and supplemented.

The adjusted net monthly income is calculated as total net family income (see *Income test*) divided by the equivalent family size. The equivalent family size is obtained by assigning a value of 1 to the household head and 0.5 to each additional member (adult or child).

The law establishes a list of assets which cancel the right to receive the benefit, such as a more than one family-owned residence, land exceeding 1.200 sqm in urban areas or 500 sqm in rural areas (excluding residence surroundings), cars, boats other vehicles under certain conditions, bank deposits over three times the average wage. Additional requirements for able-bodied individuals of working age are participation in community work, registration at the local Employment Office, acceptance of jobs offered through the Employment Office and participation in active labour market measures or vocational training.

— Income test

The benefit is means-tested. There is an income test and an asset test.

Income subject to the means-test is: all gross market income (ils_origy) less employee SIC (tscee_s), less self-employed SIC (tscse_s), less personal income tax (tin_s), less health insurance contribution (tschl_s), plus old age pension (poa), plus disability pension (pdi), plus survivor's pension (psu), plus child raising allowance (bccnw_s), plus child raising incentive (bccrw_s), plus unemployment benefit (bun), plus severance payments (yunsv), plus alimony/ maintenance payments (xmp), plus temporary sickness benefit (bhl), plus maternity benefit (bma), and plus guaranteed minimum pension/social allowance for pensioners (bsaoa_s).

— Benefit amount

Table 2.9 Minimum inclusion income amounts, 2024-2025 (Venitul minim de incluziune) (bsa00_ro)

	Threshold for the adjusted net monthly income 2024/2025	Benefit amount 2024/2025
	2024/2025	

Support for inclusion	Families	<=346/366 RON	Threshold*equivalent family size – family net monthly income	
	Single adult aged 65+	<=504/533 RON	Threshold- net monthly income	
(1) Support for families with children		<=346/366 RON		
	Families with one child		135/143 RON	
	Families with 2 children		270/286 RON	
	Families with 3 children		405/428 RON	
	Families with 4+ children		539/570 RON	
	Single parent families with one child		152/161 RON	
	Single parent families with 2 children		303/320 RON	
	Single parent families with 3 children		453/479 RON	
	Single parent families with 4+ children		604/638 RON	
		<=879/930 RON		
	Families with one child		108/115 RON	
	Families with 2 children		215/228 RON	
	Families with 3 children		322/341 RON	
	Families with 4+ children		428/452 RON	
	Single parent families with one child		140/148 RON	
	Single parent families with 2 children		271/287 RON	
	Single parent families with 3 children		409/432 RON	
	Single parent families with 4+ children		541/572 RON	

Source: Law No. 196/2016 on the Minimum Inclusion Income entered into force on January 1, 2024, subsequently amended and supplemented.

Families with children can receive both the support for inclusion and the support for families with children if comply with the eligibility conditions. If the calculated amount of the minimum inclusion benefit is less than 50 RON per month, than 50 RON is received as benefit. If there is at least one working adult in the unit, 50% of the income earned, up to a maximum of 500 RON per family, is not included in the income testing.

The benefit is indexed annually by the inflation rate.

EUROMOD notes: The income test is simulated using annual incomes and assuming that the monthly income has been constant throughout the income reference period. Thus, fluctuations in the family's monthly income throughout the reference year are not captured. The asset test is only partially simulated. Only financial capital and possession of a car are considered.

EUROMOD offers the possibility to calibrate the receipt of social assistance by excluding units where the head is aged under 26 (these are likely to be students or young people still financially dependent on their parents).

2.4.15. Means-tested heating benefit (*Ajutorul pentru încălzirea locuinței*) (*bhoen_ro*)

— Definitions

The assessment unit is the household (*tu_household_ro*).

— Eligibility conditions

Net monthly income per family member should be less than a threshold. The monthly income per family member threshold is differentiated according to the type of heating used by the household (see below for exact figures).

There is also an asset test. The law establishes a list of goods of necessity that are considered in assessing the right to receive this benefit. When the family or single person own(s) only goods considered of necessity they are entitled to receive this benefit. When the family or single person own(s) goods that are not enlisted as necessity goods, they are not considered entitled to receiving the heating benefit.

If the family or single person own(s) necessity goods in an amount that exceeds the limit established by the law, the potential income obtained through their exploitation is considered in assessing the net monthly income.

— Income test

The means-test consists of an income test and an asset test.

Income subject to the means test is: all gross market income (*ils_origy*), less employee SIC (*tscee_s*), less self-employed SIC (*tscse_s*), less personal income tax (*tin_s*), less health insurance contribution (*tschl_s*) plus old age pension (*poa*), plus disability pension (*pdi*), plus survivor's pension (*psu*), plus child raising allowance (*bccnw_s*), plus child raising incentive (*bccrw_s*), plus Non means-tested child benefit (*bchnm_s*), plus unemployment benefit (*bun*), plus severance payments (*yunsv*), plus alimony/maintenance payments (*xmp*), plus temporary sickness benefit (*bhl*), plus maternity benefit (*bma*), plus the guaranteed minimum pension/social allowance for pensioners (*bsaaa_s*), plus the guaranteed minimum income (*bsa_s*), plus the minimum inclusion income (*bsa00_s*), plus "Money for high-school" benefit (*bched_s*). The income thresholds depend on the type of heating used:

Table 2.10 Thermal energy provided by the centralized system, 2022-2025

Average monthly net income per family member, and per a single person (RON)	Percentage compensation of the actual amount of heat energy bill (%)	
	Family	Single person
Up to 200	100	100
200.1 - 320	90	90

320.1 - 440	80	80
440.1 - 560	70	70
560.1 - 680	60	60
680.1 - 920	50	50
920.1 - 1040	40	40
1040.1 - 1160	30	30
1160.1 - 1280	20	20
1280.1 - 1386	10	n/a
1280.1 - 2053	n/a	10

Source: Law No. 226/2021 on the establishment of social protection measures for vulnerable energy consumers.

Families that benefit from social aid under the Law regarding the Minimum Guaranteed Income (2022-2023) receive a compensation of 100%. Since 2024, the Minimum Guaranteed Income was replaced by Minimum Inclusion Income program.

Table 2.11 Natural gas, 2022-2025

Average monthly net income per family member, and single person (RON)	Monthly amount (RON) 2022-2025
Up to 200	250
200.1 - 320	225
320.1 - 440	200
440.1 - 560	175
560.1 - 680	150
680.1 - 920	125
920.1 - 1040	100
1040.1 - 1160	75
1160.1 - 1280	50
1280.1 - 1386	25
1280.1 - 2053*	25

Notes: *For single person.

Source: Law No. 226/2021 on the establishment of social protection measures for vulnerable energy consumers.

Table 2.12 Wood, coal and oil fuel, 2022-2025

Average monthly net income per family member, and single person (RON)	Monthly amount (RON) 2022-2025
Up to 200	320
200.1 - 320	288
320.1 - 440	256
440.1 - 560	224
560.1 - 680	192
680.1 - 920	160
920.1 - 1040	128
1040.1 - 1160	96
1160.1 - 1280	64
1280.1 - 1386	32
1280.1 - 2053*	32

Note: *For single person.

Source: Law No. 226/2021 on the establishment of social protection measures for vulnerable energy consumers.

Table 2.13 Electricity, 2022-2025

Average monthly net income per family member, and single person (RON)	Monthly amount (RON) 2022-2025
Up to 200	500
200.1 - 320	450
320.1 - 440	400
440.1 - 560	350
560.1 - 680	300
680.1 - 920	250
920.1 - 1040	200
1040.1 - 1160	150
1160.1 - 1280	100
1280.1 - 1386	50
1280.1 - 2053*	50

Note: *For single person.

Source: Law No. 226/2021 on the establishment of social protection measures for vulnerable energy consumers.

— Benefit amount

The benefit amount is differentiated according to the type of heating used by the household, the heating costs incurred by the household, and according to the monthly net income per household member (see above for further information). For the households using heating in centralised system, the benefit compensates a certain percentage of the heating bill. For households using natural gas, wood, coal or oil fuels, the benefit is flat rate. The benefit is given monthly during the cold season, between November 1st and March 31st next year.

Energy supplement (Suplimentul pentru energie)

The benefit is a top up of the heating benefit, being received by its beneficiaries, starting with the cold season 2021-2022, on monthly basis for the whole year (not only in cold season).

— Definitions

The assessment unit is the household (tu_household_ro).

— Eligibility conditions

Net monthly income per family member should be less than the highest eligibility threshold applied for the heating benefit.

— Income test

The income thresholds are, as for the heating benefit: net monthly income of 1386 RON/per family member or 2053 RON for single persons.

— Benefit amount

The amount is dependent on the type of energy, being 10 RON for thermic energy and natural gas, 20 RON for fossil fuels and 30 RON for electricity (or 70 RON if this is the only source of energy).

EUROMOD notes: The heating benefit is calculated as the sum payable during the year: i.e., Jan-Mar + Nov-Dec of the income reference year. The type of heating used by the family is imputed based on urbanization. Households living in urban areas are assumed to be using the centralized

system whereas households living in rural areas are assumed to use fossil fuels. For households using the centralized heating system, the average monthly heating bill is imputed based on the 2007 Household Budget Survey. The heating cost for the winter months (Nov-March) is imputed to be approximately 23% of total yearly utilities cost.

The income test is carried out using annual rather than monthly income. The asset test is only partially simulated- only possession of a car and of financial capital is used in the asset test.

The energy supplement is simulated as part of the heating benefit. The supplement for electricity is not simulated as we cannot identify households which use electricity for heating.

2.4.16. Food vouchers (*Tichete sociale pentru produse alimentare și mese calde*) (bsatm_ro)

— Definitions

The assessment unit is the individual (tu_individual_ro) or the household (tu_household_ro), depending on the category of recipients.

— Eligibility conditions

The vouchers can be received starting from 2022 by the following categories:

- a) Pensioners and disabled persons (with severe, accentuated, or moderate disabilities), with monthly net income lower or equal to a threshold
- b) Families with at least 2 dependent children and single-parent families, whose monthly net income per family member is less than or equal to a threshold
- c) Families which benefit of the minimum inclusion income
- d) Homeless persons, as they are regulated according to the legal provisions in force.

— Income test

For pensioners and disabled persons, the net monthly income (pensions plus other market income) should not exceed 1,500RON in 2022, 1700RON in 2023 and 2000RON in 2024, while for families with children, the net monthly income per family member should be less than or equal to 600RON in 2022 and 675RON in 2023-2025. The net monthly income for families includes original and replacement income.

— Benefit amount

The vouchers are equivalent of 250RON per two months, the maximum amount receivable in 2022 being of 1,000RON, while in 2023, the overall amount increases to 1500RON in 2023 and 2000 (2210) RON in 2024. In 2025 will be granted for different categories of beneficiaries –, but also including pensioners of the public pension system, pensioners registered in sectoral pension houses and beneficiaries of rights granted under special laws, paid by territorial pension houses/sectoral pension houses, aged at least 65 years on the date of processing the request, who benefit from social indemnity, persons - children and adults - with severe, profound or moderate disability, with monthly income less than or equal to 2.000 lei, as well as families and single people who have established the right to inclusion aid. The amount in 2025 will be reduced to 250 RON per year.

EUROMOD notes: The benefit has been simulated for all categories, except for the homeless persons, which cannot be identified in survey data. The maximum amount of the benefit has been simulated for all eligible individuals or families.

2.4.17. Vouchers for students (*Vouchere pentru elevi*) (bedtm_ro)

— Definitions

The assessment unit is the individual (tu_individual_ro).

— Eligibility conditions

The vouchers can be received by students receiving social scholarships (from low-income families).

— Income test

No income test applied.

— Benefit amount

The vouchers are equivalent to 30Euros per month (150RON). The benefit is granted for 7 months in 2022 (April-June and September-December 2022) and can be used for food, supplies and clothes.

2.4.18. Cultural vouchers for students (*Tichete culturale pentru elevi*) (bedestm_ro)

— Definitions

The assessment unit is the individual (tu_individual_ro).

— Eligibility conditions

The vouchers can be received for lower and upper secondary students.

— Income test

No income test applied.

— Benefit amount

The vouchers are equivalent to 250RON per year and can be used for participation to concerts, museum, entrance fees, books, cultural or historical travels.

EUROMOD notes: The benefit implementation started in September 2024.

2.4.19. Educational vouchers (*Tichete educationale*) (bedtmot_ro)

— Definitions

The assessment unit is the family (tu_family_ro).

— Eligibility conditions

Educational vouchers are targeted to students from vulnerable families. Beneficiaries are families with preschool, primary, and lower secondary school children (Govern Ordinance no 33/2001, Law no. 126/2002, Law no. 248/2015).

— Income test

The income test concerns the net monthly income per family member and the thresholds are set to:

- twice the minimum guaranteed income level for a single person for families with preschool children in 2023 (298 RON), 633 RON in 2024 and 692 RON in 2025
- half of the minimum wage (gross monthly) (1275 RON in 2023, 1500 RON in 2024, 1850 RON in 2025) for families with primary and lower secondary school children

— Benefit amount

The benefit is a lump sum of 500RON per eligible student per year to be used for school supplies and clothes.

EUROMOD notes: The income for testing has been calculated as original and replacement income, minus simulated taxes and social contributions.

2.4.20. Support for low-income pensioners (*Sprijin pentru pensionarii cu venituri reduse*) (bsaoatm_ro)

— Definitions

The assessment unit is the individual (tu_individual_ro).

— Eligibility conditions

The aids were granted in January and July 2022, January and October 2023 and in 2025 to pensioners from the public system, the state military pension system and the beneficiaries of rights provided by special laws with low incomes.

— Income test

In January 2022, pensioners with pensions less than or equal to 1,600RON received the benefit, while in July 2022 the aid was targeted to pensioners with a monthly income less than or equal to 2,000RON. In 2023, the maximum threshold was raised to 3000RON. In 2025, the benefit was re-introduced, the threshold being set at 2574 RON.

— Benefit amount

In January 2022, the benefit was a lump sum representing the difference between 2,200RON and their pension rights for January 2022. In July 2022, the aid was equal to 700RON for all eligible pensioners. In 2023, the amounts were differentiated by income brackets: 1000 RON for income below 1500RON, 800 RON for income between 1501 and 2000RON, and 600RON for income higher than 2000RON and lower than 3000RON. In 2025, the benefit is a lumpsum of 800 RON, paid in two equal instalments of 400 RON each. Social contributions

2.4.21. Employee Social Insurance Contributions (*Contribuții în cadrul bugetului asigurărilor sociale de stat,*) (tscee_ro)

The unit of analysis is the individual (tu_individual_ro).

The base for the calculation of social insurance contribution is the gross employment income - *yem*.

The unemployment contribution base is the gross wage for employees.

Employee Social insurance contribution

Employee Social insurance contribution rate is 25% for 2020-2023. Employees in the construction sector with wages below 30,000 RON/month (10,000 RON/month for policy years 2023 and 2024) pay a lower contribution rate – 21.25% since 2019. The same lower rate applies from 2022 to employees in the agricultural sector and food industry. From November 2023 onwards, employees from the agriculture, food industry and constructions can pay a lower rate of 20.25% in case they choose not to contribute to the 2nd pillar as of January 1, 2024. Since 2025, these partial exemptions have been eliminated.

Employee Unemployment contribution

Employee Unemployment contribution has been eliminated starting from 2018.

EUROMOD notes: Employee social insurance contributions (including contribution ceilings) are simulated based on the number of months in employment during the income reference period. The reduction in social contributions for the food industry is not simulated as it cannot be identified in the survey data.

2.4.22. Employer Social Insurance Contributions (*Contribuția asiguratorie pentru muncă*) (tsce_ro)

The unit of analysis is the individual (tu_individual_ro).

The base for the calculation of social insurance contribution (il_tsce_base) is the gross employment income - *yem*.

In 2018, the social insurance contribution of employers has been transferred to employees, while the unemployment insurance contribution has been eliminated. On the other hand, a new contribution on employers has been introduced – Work Insurance Contribution (*Contribuția asiguratorie pentru munca*).

The rate for the Work Insurance Contribution is 2.25% for 2020-2023. Additional contributions of 4 % and 8 % are requested from employers for arduous and hazardous working conditions.

EUROMOD notes: Employer social insurance contributions (including contribution ceilings) are simulated based on the number of months in employment during the income reference period.

2.4.23. Self-employed Social Insurance Contributions (*Contribuții în cadrul bugetului asigurărilor sociale de stat, contribuții în cadrul asigurărilor pentru șomaj*) (tscse_ro)

The unit of analysis is the individual (tu_individual_ro).

SIC for the self-employed

All self-employed individuals are liable to pay social insurance contribution if their annual income is above a threshold. The contribution base is the insured income declared by the self-employed, which is subject to a minimum threshold and an upper ceiling, except for income from intellectual property rights; in this case the gross income is the tax base.

If the gross annual income obtained from independent activities is below the threshold of 12 monthly minimum wages, the social insurance contribution is not due. The maximum SIC base is 24 monthly minimum wages.

Exemptions are applied if the person is also employed and pays social insurance contribution as an employee.

The self-employed contribution rate is 25%.

EUROMOD notes: If a person has both employment and self-employment income but the period spent in employment is less than 12 months, it is assumed that employment and self-employment income were generated in different periods. The contributory base for social insurance contributions is assumed to be the minimum insurable income-i.e., a third of the average gross wage/min wage for all self-employed paying this contribution. There is a switch *tca_ro* implemented for the adjustment of tax compliance (social insurance, health insurance, income tax) in the case of self-employed working in agriculture, living in rural areas with an income level below the average gross wage. It is assumed that if the above conditions are satisfied, then the individual does not pay taxes.

2.4.24. Health Insurance Contribution (active population and pensioners) (Contribuția de asigurări sociale de sănătate) (tschl_ro)

The health insurance contribution is simulated separately from the other social contributions (social insurance and unemployment) and it is paid by employees, self-employed, employers and pensioners.

Employee Health insurance contributions

The unit of analysis is the individual (tu_individual_ro).

The health insurance contribution rate is 10% in 2020-2023, and is due on the gross wage. Employees in the construction sector with wages below 30,000 RON/month are exempt from paying health insurance contribution, since 2019. The same facility is applied since 2022 for the agricultural sector. In August 2022, the ceiling has been changed to 10,000RON. As of November 2023, the exemptions have been eliminated.

Self-employed Health insurance contributions

The unit of analysis is the individual (tu_individual_ro).

In 2022, the tax base was equal to the minimum wage. Since 2023, the tax base is the net annual self-employment income, being limited to 60 minimum wages. For income from intellectual property rights and income from agriculture the contribution base is:

- 6 minimum wages if the annual self-employment income is between 6 and 12 minimum wages,
- 12 minimum wages if the annual self-employment income is between 12 and 24 minimum wage,
- 24 minimum wages if the annual self-employment income is equal or more than 24 minimum wages.

In assessing the contribution base, the cumulated income from intellectual property rights and agriculture is evaluated, together with income from property and investments.

Exemptions: If the sum of annual income from intellectual property rights and income from agriculture, together with income from property and investments, is below 6 minimum wages, the contribution is not due.

The contribution rate is 10%.

The health insurance contribution is due on self-employment income even when the individual has employee income as well, except when the self-employment income comes from intellectual property rights.

Pensioners Health insurance contributions

The unit of analysis is the individual (tu_individual_ro).

The tax base was equal to the pension income for the amounts exceeding 4000 RON in 2022, the contribution rate being 10%. However, starting from 2023, income from pensions is not subject to health insurance contributions.

EUROMOD notes: Health insurance contributions are simulated based on annual incomes. In the case of self-employed, the exemption of intellectual property income is not simulated. There is a switch *tca_ro* implemented for the adjustment for tax compliance (social insurance, health insurance, income tax) in the case of self-employed in agriculture, living in rural areas with income level below the average gross wage. It is assumed that if the above conditions are satisfied, then the individual does not pay taxes.

2.4.25. Credited Health Insurance Contributions (*Contributia de asigurari sociale de sanatate plătită din alte surse decât venitul persoanei asigurate*) (tscchl_ro)

The unit of analysis is the individual (tu_individual_ro).

Several categories are entitled to credited health insurance contributions. The categories that are insured but their contribution is paid from other sources than personal income is those in the following situations: (a) Unemployed who are receiving health insurance benefits; (b) Pregnant women who are no longer insured due to circumstances beyond their control, but had insurance coverage nine months prior to childbirth and are receiving maternity benefit; (c) Persons with temporary work incapacity leave because of work accident or professional disease;

The contribution rate is 10%. The contribution base is the health insurance benefit or the maternity benefit. These contributions are paid from the unemployment insurance budget (a) or from the health insurance budget (b, c)

In EUROMOD, the credited health insurance contribution is simulated for health insurance benefits recipients (unemployed and others).

The following categories are insured without paying contribution: children up to the age of 18, people aged between 18 and 26 years if they are pupils, students or apprentices and do not earn any income; young people up to the age of 26 if they come from the child protection system and do not earn employment income; a non-earning spouse or parent of an insured person; people with disabilities who do not earn income from working arrangements, or other sources, except for the disability benefit; people with illness who are included in national health programs, pregnant and child bedding women; pensioners for pension income; unemployed for unemployment benefit; minimum guaranteed income or minimum inclusion income recipients and others.

Only the following categories are simulated to be entitled to health insurance contributions without payment- a) children under 18 or under 26 if in education and without earnings b) persons in receipt of a disability pension without any additional income sources, c) married partners of an insured person who have no income of their own, d) members of families receiving the minimum guaranteed income or the minimum inclusion income, e) parents of an insured person with no income of their own.

EUROMOD notes: Not all categories of beneficiaries can be simulated (see above for which categories are simulated)..

2.4.26. Other social contributions

Benefit Recipients Social Insurance Contributions (*Contribuții în cadrul bugetului asigurărilor sociale de stat*) (tscbr_ro)

This is a credited social insurance contribution for recipients of unemployment benefit.

The unit of analysis is the individual (tu_individual_ro).

For recipients of unemployment benefits (thus *bun*>0), the contribution rate is 25%.

EUROMOD notes: The contribution is simulated only for months in receipt of unemployment benefit.

2.5. Personal income tax

2.5.1. Tax unit

The tax unit is the individual - tu_individual_ro.

During the process of identifying and allocating the dependent persons in the household to an individual tax unit, another tax unit is used, tu_household_ro, which includes all household members.

2.5.2. Exemptions

In Romania, the following income categories are exempted from personal income tax:

- Social benefits (allowances, indemnities, social insurance benefits, scholarships), other than pensions and temporary work incapacity benefit. Are exempted from personal income tax: invalidity pensions for the 1st degree of invalidity, benefits for war invalids.
- Income paid for damages suffered, either received from insurance of any type or from other sources, including punitive damages.
- The income equivalent of coupons/vouchers which are awarded to individuals, according to the legislation in force.
- Income or goods from inheritance or donation
- Income gains from real estate property transfers in the following three situations: the property is regained under special laws; donation between relatives of the 3rd degree at most and between spouses; inheritance, if the succession is finalized in maximum 2 years from the moment of death.
- Income earned by the members of diplomatic missions in Romania, under the condition of reciprocity and income earned by members of Romanian diplomatic missions, councillor offices and cultural institutes placed abroad.
- Income earned by officials of international organizations for their activity in Romania.
- Income earned by foreign citizens for consultancy activities, under non-reimbursable financing agreements.
- The difference of subsidized interest for credits, under the legislation in force.
- Income from prizes gained by sportsmen winning prizes at European, World and Olympic championships.
- Wages of employees in the construction sector (below 30,000 RON/month) and in the IT sector, for certain occupations.

In EUROMOD simulations, the following sources of income are exemptions from personal income tax:

- State allowance for children
- Child raising indemnity
- Child raising incentive
- Minimum social pension/ social allowance for pensioners
- Means-tested educational allowance (Money for High-School)
- Social assistance Guaranteed minimum income
- Means-tested heating benefit

2.5.3. Tax allowances

There is a **Tax allowance for pensioners** is of 2000 RON per month, changed to 3000 RON per month for 2025. The tax base is the difference between the gross income less any mandatory social contributions and the tax allowance amount.

For employees there is the **Tax allowance for oneself and allocated dependents** – It is a personal deduction which is given to employees who have a monthly gross wage under or equal to 3600 RON (5000 RON in 2023, respectively 5300 RON in 2024 and 6050 RON in 2025). The amount of the deduction is a function of the number of taxpayer's dependent persons, as seen in the table below (for a monthly gross wage not higher than 3000 RON in 2023, respectively 3300 RON in 2024 and 4050 RON in 2025).

Table 2.14 Summary of personal tax deduction for dependents

Number of dependents	Personal deduction (Lei) 2022	Personal deduction (Lei) 2023	Personal deduction (Lei) 2024	Personal deduction (Lei) 2025
0	510	600	660	810
1	670	750	825	1013
2	830	900	990	1215
3	990	1050	1150	1418
4 or more	1310	1350	1485	1823

Source: *The Romanian Fiscal Code, Law No. 227/2015, subsequently amended and supplemented.*

This tax deduction is applied only on wages and only at the main job or activity.

For gross wages between 1951 (3000 RON in 2023, respectively 3300 RON in 2024 and 4050 RON in 2025) and 3600 RON (5000 RON in 2023, respectively 5300 RON in 2024 and 6050 RON in 2025), the personal deduction is decreasing linearly with income.

The *dependent person* can be the spouse, child, or other family relative up to the 2nd degree (children, parents, brothers and sisters, grandparents, and grandchildren) of the taxpayer or his/her spouse with a gross taxable and non-taxable income (all income, whatever its source is included) which does not exceed 510 RON (600 RON in 2023, respectively 660 RON in 2024 and 810 RON in 2025).

Children under 18 years are considered dependent persons, except for children aged between 16 and 18 who are legally employed, in which case the child is treated as a taxpayer, and he could be a dependent person only if his income is below the threshold of 510 RON (600 RON in 2023, respectively 660 RON in 2024 and 810 RON in 2025).

Deductions for private voluntary pension contributions- contributions made to private pension plans are deductible from the tax base up to the limit of the equivalent of 400 Euros in RON. The deduction is applicable only for employees.

Other tax allowances in the Romanian system are the tax allowance for trade union fees (which are fully deductible from the tax base in the case of employees), tax allowance for savings in collective systems for dwelling expenses, and the tax allowance for rent income (40% of gross income until 2022, then eliminated). Except for the latter, these allowances are not simulated in EUROMOD due to lack of information in the input dataset.

Employees in the construction sector (since 2019) **and those in agriculture and food industry** (since 2022) were exempt from personal income tax for monthly wages below 30,000RON (in 2022). The threshold was reduced to 10,000RON starting from August 2022 and is applied for certain occupations in the IT sector (not simulated). In 2025, all these exemptions have been eliminated.

Since 2023, two supplementary tax deductions for employees have been introduced:

- 15% of the minim wage for young employees up the age of 26 years, with gross wage below a benchmark (5000 RON in 2023, 5300 RON in 2024 and 6050 RON in 2025).
- 100 RON for each dependent child for all employees, regardless of the wage level.

2.5.4. Tax base

The calculation of the tax base for the personal income tax is differentiated by income type.

For *employment income*, the tax base is the taxable income which is calculated as gross income minus social insurance and health contributions and minus tax allowances.

For *self-employment income*, the tax base is the difference between the net gain (income minus expenses) and social insurance and health contributions (also, losses for the last five fiscal years, if any, can be deducted as well). In case of taxpayers that earn incomes from independent activities specified in the nomenclature of the activities elaborated by the Ministry Finance the annual net income shall be determined based on the income norms at the place of pursuing business. This taxpayers shall have the right to opt for the determination of the net income in real system..

For *investment income*, the tax base is the gain from investments.

For *pensions*, the tax base is the difference between the gross income and social contributions and the tax allowance for pensioners.

2.5.5. Tax schedule

The personal income tax is paid by individuals as a flat rate of 10% on the income tax base. For capital gains income paid by intermediaries expressly provided by law, the tax rate is 1% or 3% depending on the holding period

2.5.6. Tax credits

An amount up to 3.5% of the personal income tax paid on employee and self-employed income can be donated to non-profit organizations or for private scholarships.

There is no tax credits simulated in EUROMOD due to the lack of necessary information.

EUROMOD notes: For purposes of calculating the employee allowance for oneself and dependents, family relationships are not checked. Any person residing in the same household with an employee may be considered a dependent if he/she satisfies the income threshold criterion or is aged below 16. Annual incomes are used in determining whether an adult may be considered dependent or not. Income used in the test of dependency include earnings, pension income, unemployment benefits, sickness benefit, childcare allowance /incentive, investment income, property income, private

pensions, severance payments, educational allowances, the universal child benefit and income received by children under 16.

If there is more than 1 employee eligible to claim the tax allowance for dependents, the allocation of dependents in the household is optimized so that the maximum tax allowance may be claimed. The optimization is done by first allocating dependents to the employee with the lower income until income available to claim the tax allowance is exhausted, moving on to the employee with the next lowest income and so on.

None of the tax credits have been simulated.

Switch *TCA_ro* is implemented for the adjustment of tax compliance (social insurance, health insurance, income tax) in the case of self-employed in agriculture, living in rural areas with income level below the average gross wage. It is assumed that if the above conditions are satisfied, then the individual does not pay taxes.

2.6. Consumption taxes

There are two categories of consumption taxes that are simulated in EUROMOD: VAT (value added tax) and excises (additional duties paid over consumption, on energy, alcoholic beverages, and tobacco).

Simulated consumption tax liabilities paid by households depend on the tax rules (e.g. the VAT rate) and on the tax base (consumption expenditures or quantities). To simulate consumption taxes in EUROMOD, we use HBS survey data as it contains information on household expenditures. The expenditures matched in the EUROMOD input files based on SILC are reported directly by households in the HBS surveys at purchasing prices, thus already including the consumption taxes paid.

i) **VAT** (*il_tva* variable in EUROMOD) is the value-added tax. The model also simulates at high disaggregation level the VAT liabilities paid for each consumption category (output variables are *tva01111*, *tva01112*, and so on and so forth, corresponding to COICOP codes 01111 and 01112, etc.)

ii) **Excises** (*il_tx* variable in EUROMOD) are additional duties paid over consumption and can be classified in two groups: ad-valorem excises (*il_t xv*) that depend on producer prices, and of specific or ad-quantum excises (*il_t xa*) that depend on consumed quantities.

Since consumption data from HBS refers to expenditures (price x quantity), for the simulation of specific excises information on consumption prices are needed.

Further information on methodology and specific calculations and the independence of these consumption taxes is common across countries (this is why they are placed in an add-on and not in the policy spine of each country) and can be found in Akzogu et al (2020).

2.6.1. VAT (*il_tva*)

To extract the baseline VAT embedded in this reported consumption we only need the VAT rate of the policy system year. In Romania, one standard rate, two reduce rates and one zero VAT rate are applied.

Table 2.15 VAT rates

Products	2022	2023	2024	2025
Standard³	19%	19%	19%	19%
Reduced 1	9%	9%	9%	9%
Reduced 2	5%	5%	5%	5%
Zero	0%	0%	0%	0%
Exempted⁴	-	-	-	-

Source: The Romanian Fiscal Code, Law No. 227/2015, subsequently amended and supplemented.

2.6.2. Ad-valorem excises (il_t xv)

Ad-valorem excises cover cigarettes in Romania.

Table 2.16 Ad-valorem excise rates

Products	2022	2023	2024	2025
Cigarettes	13%	12%	11%	10%

Source: The Romanian Fiscal Code, Law No. 227/2015, subsequently amended and supplemented.

2.6.3. Specific excises (il_t xa)

Specific excises apply to alcoholic beverages, tobacco, fuel, and energy products. In this case, both tax rates and prices are collected, in order to allow the model to estimate the implicit quantities behind the reported household consumption expenditure amounts.

Table 2.17 Specific (ad-quantum) excise rates

Products	2022	2023	2024	2025
Ethyl alcohol (RON per 100 l of pure alcohol)	3778.89	4208.86	4629.75	4833.46
Ethyl alcohol (RON per 100 l)	453.47	505.07	555.58	580.03
Still Wine (RON per 100 l)	0	0	0	0
Sparkling Wine (RON per 100 l)	54.14	60.31	66.34	69.26
Other wine - cider, perry, hydromel (RON per 100 l)	0	0	0	0
Other wine - obtained from berries, without other additions of flavours or alcohol (RON per 100 l)	0	0	0	0
Other still wine - except for cider, perry, hydromel or obtained from berries, without additional flavours or alcohol (RON per 100 l)	453.47	505.07	555.58	580.03
Other sparkling wine – except for cider and perry (RON per 100 l)	54.14	60.31	66.34	69.26
Other sparkling wine from cider and perry (RON per 100 l)	0	0	0	0
Beer (RON per 100 L per Plato of finished product)	3.77	4.2	4.62	4.82
Cigarettes (RON per 1000 pieces)	563.97	459.386	672.92	687.97
Cigars (RON per 1000 pieces)	346.5	346.5	591.25	606

Other tobacco (RON per kg)	548.61	548.61	591.25	606
Electricity (RON per MWh)	5.42	6.05	6.82	7.24
Natural Gas, heating (RON per gigajoule)	1.74	1.94	2.19	2.32
Liquefied hydrocarbons, for cooking (RON per 1000 kg)	0	0	0	0
Liquefied hydrocarbons, for heating (RON per 1000 kg)	614.50	686.77	773.62	821
Gas Oil (RON per 1000 l)	1734.66	1632.81	1850.95	2317.59
Coal and Coke (RON per gigajoule, 1GJ=0.0316 tons)	1.62	1.81	2.04	2.17
Petrol – Leaded (RON per 1000 l)	2226.24	2083.07	2375.48	2974.36
Petrol – Unleaded (RON per 1000 l)	1892.72	1776.3	2019.6	2528.76
Gas Oil – propellant (RON per 1000 l)	1734.66	1632.81	1850.95	2317.59
LPG - propellant (RON per 1000 kg)	694.42	776.09	874.24	927.78

Source: The Romanian Fiscal Code, Law No. 227/2015, subsequently amended and supplemented.

Table 2.18 Prices of Excise products

Products	2022	2023	2024	2025
Ethyl alcohol & intermediates (RON per 1 l)	109.41	120.75	121.27	
Still Wine (RON per 1 l)	32.17	33.98	44.36	
Sparkling Wine (RON per 1 l)	155.20	178.52	135.96	
Beer (RON per 1 l)	7.85	7.90	9.64	
Cigarettes (RON per 1000 pieces)	1005.76	1071.56	1137.34	
Cigars (RON per 1000 pieces)			1520.26	
Other tobacco (RON per kg)	1135.86	1280.96	1048.96	
Electricity (RON per MWh)	1410.40	884.40		
Natural Gas, heating (RON per gigajoule)	117.26	76.70		
LPG- Liquefied hydrocarbons, (RON per 1000 kg)	9036.36	9598.16	10185.66	
Gas Oil heating (RON per 1000 l)	7905.47	6722.47	5110.01	
Coal and Coke (RON per gigajoule, 1GJ=0.0316 tons)			54.83	
Petrol – Unleaded (RON per 1000 l)	37327.48	33552.72	34749.39	
Gas Oil – propellant (RON per 1000 l)	8233.86	7159.38	7341.16	

Notes: n: nowcasted

Source: Eurostat.

- Consumer prices of goods subject to excise duties are nowcasted, similarly to what done with income data from SILC. We combine the latest available data from the following sources:
- Prices per product, usually from last year, but for instance, fuel prices have only 15 days delay.
- Inflation: Harmonised Index of Consumer Prices (HICP, Eurostat) at COICOP 5 digits, usually for the first quarter for beta release and up to third quarter 3 for final release.
- Inflation quarter-on-quarter forecasts (DG ECFIN, confidential) by HICP main groups (Unprocessed food, Processed food including alcohol and tobacco, Non-energy industrial goods, Energy, Services - overall index excluding goods) of quarters 2, 3 and 4, as needed for each release.

For more details on the specific source of the price of each good, see Akoguz et al (2020) and for the nowcasting method (document to be released based on).

EUROMOD modelling: Consumption taxes (tco_cc policy) require extended EUROMOD input data (with imputed income shares of consumption expenditures at the household level) and an add-on to run. The policy is set to off in the baseline. To activate it, the ITT_xbase add-on must be run, and the yyyy_x* type of input files (see Section 3 for more information on the methodology and features behind these extended input files) should be used (as defined in the database configuration of each country). The other add-ons (ITT_*) can be used to undertake reform simulations, under the behavioural assumption of constant quantities (ITT_XCQ), constant income shares (ITT_XCIS) or constant expenditure shares (ITT_XCES). Auxiliary output files are generated by running the first baseline simulation (as either the quantities or expenditures and savings from the baseline are kept constants and enter as inputs in the simulated reform scenarios).

3. Data

3.1. General description

The Romanian database used in EUROMOD is the Romanian Survey on Income and Living Conditions, (also called Quality of Life Survey), which represents the implementation of the European Union Statistics on Income and Living Conditions (EU-SILC) survey in Romania. In 2024, the survey was carried out by the National Institute of Statistics. An integrated design with a rotational sample was applied, in which the sample is divided in four sub-samples, each of them similar in size and design and representative for the whole population. From one year to the next, three sub-samples are retained, one is dropped, and one new sub-sample is included in the survey. In this way, the cross-sectional and longitudinal statistics are produced from the same set of sample observations.

The data is collected during the 5th month of the year following the income reference year (the calendar year: January – December 2024).

The unit of assessment is the household, defined as a person living alone or a group of persons who live together in the same dwelling and share expenditures including the joint provision of the essentials of living (the household membership definition used is according to Eurostat recommendations EU-SILC 065).

In 2024, the survey was based on the use of Multifunctional Sample of Territorial Areas - the master sample “new EMZOT”, a database with approximately 1.500.000 dwellings, selected according to probabilistic criteria, serving as sampling frame for all household surveys, in 2015-2024. The sampling plan is a two-stage probability sampling of housing units (dwellings). In the first stage, a stratified random sample of 792 areas (450 in urban and 342 in rural areas), called Primary Sampling Units (PSUs), was designed using the 2011 Population Census. The PSUs were sampled with a probability proportional to size (number of permanent dwellings). The stratification criteria are the area where PSU is located (rural/urban) and county (NUTS3 level). In the second stage, a fix number of dwellings are systematically selected from sampled PSUs.

The EUROMOD database is built on the EMSD data provided by Eurostat (RO_EMSD2_2024), containing all UDB variables, national data supplied by the National Statistics Institute and EUROMOD variables imputed inside Eurostat.

Table 3.1 EUROMOD database description

EUROMOD database	RO_EMSD2_24
Provider	Eurostat
Year of collection	2024
Period of collection	9 - 31 May 2024
Income reference period	Year 2023

Sample size 9339 households, 21393 individuals (15389 aged over 16 years)

Response rate 92.67% [1]

Note: [1] household response rate is 92.67%, the overall individual response rate is 92.47%.

Source: Eurostat.

3.2. Data adjustment

To prepare the dataset to meet the EUROMOD requirements, Eurostat carries out a series of data handling to check and fix, if the case, the inconsistencies between variables, such as: corrections of the warnings and inconsistencies regarding IDs, age and sex and correction of ID numbers when personal ID does not correspond to the Household ID. The non-respondent individuals are dropped, and the weights are readjusted (21 individuals were dropped). For consistency between demographic and income variables, all children born after the income reference period have been dropped from the database (3 children born after the income reference period were dropped). Missing values for socio-demographic and labour market variables are checked and imputed and the consistency between labour market and income information as well.

3.3. Imputations and assumptions

3.3.1. Time period

The reference period for the socio-demographic variables is the time of data collection, May 2024, except for age, in which case two variables are included in the database, the current age (at data collection, variables rx010) and the age at the end of income reference year (variable rx020). For the labour market and economic information, the situation is similar, some of the variables are collected also for the income reference period and for the current time frame. For example, the main activity status is collected for the current period (variable rb210), but also for the income reference period (variable rb170), the information being completed with the number of months spent in work, unemployment, retirement, studying (variables pl070 –pl090) and with the main activity monthly (pl210A – pl210L).

The income reference period is the calendar year before the data collection period, Jan-Dec 2023, and no reconciliation of variables with different reference periods is done by using labour market information from the previous wave.

In EUROMOD it is assumed that the yearly income collected is received equally throughout the months of the year.

3.3.2. Gross incomes

The EU-SILC for Romania included in the household and individual questionnaires a long list of income components, currently existing in Romania (49 income components in the individual questionnaire and 13 income components in the household questionnaire). The aggregated personal and household income categories which are reported in the UDB version of the EU-SILC are calculated from these elementary components, and finally they are aggregated all in the gross

(hy010) and disposable income (hy020) for each household who accepted the interview. It should be mentioned that EUROMOD has not gained access to the collected national SILC income components.

No additional income information is used to clean or improve the original/ collected data. No administrative records were used and the use of the justifying documents regarding the incomes was the respondents' decision.

The majority of income components were recorded net, and the gross variables were obtained by adding to the net values, the value of income taxes retained at source and social contributions paid (in the case of wages, all sums retained at source were added). For self-employment incomes (variables py050g, py050n) the anticipated income tax and social contributions (unemployment, health and pension) were collected as well and any profit or loss.

The only income components calculated in the process of data editing were:

- the value of income tax retained at source for salaries (flat rate of 10% for income tax), the respondents being asked only if they paid or not the income tax for wages;
- the exact value of the social insurance contribution retained at source for salaries if this was declared in the form of an interval;
- the value of income tax retained at source for pensions;
- the interest received for dividends and money withdrawn from bank accounts.

3.3.3. Disaggregation of harmonized variables

An important number of income components had to be imputed from the aggregate amounts, as they were unavailable in both the EU-SILC UDB version of the survey and the National SILC. These are the following:

- State allowance for children – disaggregated from child allowances (*hy054*) based on the benefit rules (number of children and their ages).
- Child raising indemnity – disaggregated from a group of child related benefits in *hy052* based on benefit rules: the existence of a child aged less than two in the income reference year, the number of months the mother is entitled to receive the benefit during the income reference period, mother's eligibility (based on work history).
- Maternity benefit – disaggregated from a group of child related benefits (*hy052*) based on benefit rules: the existence of a child born in income reference period, number of months the mother is eligible to receive the benefit.
- Unemployment benefit – recomputed based on benefit rules: the benefit entitlement period in months, work history for those with an unemployment spell and the bonus percent depending on work history.
- Financial capital asset – based on the UDB variable on investment income and external information on the average interest rate for financial market during the year 2021.

3.4. Uprating

The uprating factors are used to uprate the monetary variables for the time inconsistencies between the input dataset and the policy year. Socio-demographic characteristics and labour market variables are not uprated, remaining at their initial values. Uprating factors are generally based on indexation rules and/or changes in the average value of an income component between the year of the data and the policy year when indexation is not available. For detailed information about the construction of each uprating factor as well as the sources that have been used, see Annex 1.

3.5. Extended input data (with household expenditures for the simulation of consumption taxes)

For the simulation of consumption taxes, the model needs to be run with extended EUROMOD input files. They consist of the core EUROMOD input files based on EU-SILC or National SILC, extended with new variables (household-level income shares of expenditures by product) imputed from EU-HBS. The semi-parametric method implemented for the imputation follows the methodology developed by Akoğuz et al (2020).

Table 3.3 summarizes the major features of the most recent database used to be run with the policy systems of 2022-2025.

Table 3.2 Extended EUROMOD database description

Extended EUROMOD database for the simulation of consumption taxes	SILC 2024 – Income year 2023 – Expenditures from HBS 2015
EUROMOD database	RO_2024_b1_2015_e2
Year of collection (HBS) and source	HBS 2015 – EU
Year of collection (SILC) and source	SILC 2024 – EU
Coverage and sample size	Same as RO_2024_b1
Share of households with negative incomes excluded from the matching procedure	0.0%

Source: Eurostat

These extended EUROMOD files contain all the variables included in the standard EUROMOD input files plus the income shares of each consumption category included in HBS. For example, for countries with consumption disaggregation at 4 COICOP level (5 digits), there will be close to 200 additional variables, each one with the income shares of expenditure (at the household level) for that particular consumption category (e.g. starting from the income share of rice consumption: xs_01111; bread: xs_01112, and so on and so forth). The number of additional variables depends on the granularity available in HBS, and it varies across countries).

For the case of Romania, data RO_2024_b1, the number of variables included (income shares of expenditures, xs_c*) are 193, corresponding to the harmonized consumption categories defined at COICOP 2003 level 4 (five digits).

This database is an extension of the core EUROMOD input database, and therefore it is based on the same sample (i.e., same identifiers "idperson" and "idhh" to identify persons and households,

respectively) and contains the same variables plus the income shares of expenditure (xs_* variables).

In Table 3.3 we present the share of households' consumption expenditures by product (and total) captured in our matched databases (extended EM input files) with respect to the original reported expenditures in HBS. The column that refers to the same year (in this case, HBS 2015 with Extended EM Input 2015) directly depends on the quality of the imputation procedure, while the comparison across different years is influenced not only by the matching noise but also by the changes in population characteristics and in the underlining distribution of income. Therefore, the coverage displayed in the second column is just informative but is not and should not be used to evaluate nor validate the imputation procedure.

Information on the coverage of these simulated expenditures (coming from the imputation of HBS 2015 to more recent SILC-based data) with respect to the expenditures reported by National Accounts is included in section 4 of this report, together with the other macro-validation results.

Below we summarize the main findings from the imputation validation checks for Romania.

Table 3.3 Expenditure coverage of Extended EM Input files

COICOP group	HBS 2015 – Extended EM Input 2015	HBS 2015 – Extended EM Input 2024
CP01	112.6	93.8
CP02	102.4	85.8
CP03	99	80.2
CP04	100.5	89.1
CP05	106.8	91.3
CP06	108.2	83.2
CP07	103.4	80.5
CP08	105.8	89.7
CP09	120	91.1
CP10	56.8	108.5
CP11	86	78.9
CP12	103.6	83.4

Source: Eurostat

4. Validation

4.1. Aggregate Validation

The macro-validation is based on external statistics from official survey data (HBS, LFS) and from administrative records (budgets, number of social benefits' recipients). Differences between input data and external statistics may result also from the different accounting, i.e., external statistics is often based on monthly average or situation at the end of the year, while EUROMOD gives annual results, which could be relevant especially for the number of recipients/ taxpayers.

4.1.1. Components of disposable income

The components of disposable income, as they are defined in EU-SILC vs. EUROMOD can be found in the table below. There are a few differences between the two definitions for disposable income. *Repayments/receipts for tax adjustment* are not considered in EUROMOD simulations for the disposable income. Also, in EUROMOD we use a module for the *optimization of tax allowances* which could lower taxes and increase the disposable income.

Table 4.1 Components of disposable income

	EUROMOD [2022-2025]	EU-SILC [2024]
	ils_dispy	HY020
Employee cash or near cash income	+	+
Employer's social insurance contribution	-	-
Contributions to individual private pension plans	0	0
Cash benefits or losses from self-employment	+	+
Pension from individual private plans	+	0
<i>Unemployment benefits</i>	+	+
<i>Old-age benefits</i>	+	+
<i>Survivor' benefits</i>	+	+
Sickness benefits	+	+
Disability benefits	+	+
Education-related allowances	+	+
Income from rental of a property or land	+	+
<i>Family/children related allowances</i>	+	+
Social exclusion not elsewhere classified	+	+
Housing allowances	+	+
Regular inter-household cash transfer received	+	+
Interests, dividends, etc.	+	+
Income received by people aged under 16	+	+
Regular taxes on wealth	-	-
<i>Regular inter-household cash transfer paid</i>	-	-
<i>Tax on income and social contributions</i>	-	-
<i>Repayments/receipts for tax adjustment</i>	0	+

Source: EUROMOD and EU-SILC Quality Reports – Eurostat.

4.1.2. Validation of market incomes

The simulation results on the number of employees are consistent with the information provided by external statistics, while the number of self-employed is overestimated in EUROMOD as compared to LFS data, possibly since LFS data on employment status refer only the main economic status and thus does not capture self-employed who are also employees, while both employment and self-employment are recorded for all individuals in EUROMOD. Part of the differences between EUROMOD and external statistics can be explained by the different accounting for self-employed and employed, which are computed from external sources as monthly and quarterly averages over the year. Starting with 2021, from external statistics, the number of self-employed is considerably lower due to a change in the LFS survey methodology which excludes agricultural workers who use most of the agricultural products obtained for own consumption, while in EUROMOD agricultural workers are included in the category of self-employed irrespective of the above condition. This is the reason for the overestimations concerning self-employed. (see Annex2, Table 4.3).

The total employment income is highly consistent with the external data (See Annex 3, Table 4.4).

The self-employment income in EUROMOD is overestimated as consequence of the overestimation of the number of self-employed persons. (See Annex 3, Table 4.4).

The estimations for rent income are overestimated in EUROMOD as compared with the external data. (See Annex 3, Table 4.4).

While the simulation results regarding the old-age pension are aligned with the information offered by the external statistics, there are discrepancies between the two sources of information in the case of disability (invalidity) pension and survivors' pension, more in number of recipients and less in amounts. These can be explained by the low coverage of these types of pensions in the SILC data. (See Annex 3, Table 4.5 and Table 4.6).

4.1.3. Validation of taxes and social contributions

Self-employed social insurance contributions: No clear external information on the number of self-employed who pay social insurance contribution is available. The external data we use for macro-validation stands for the total number of self-employed. We simulate the contribution paid on the minimum contribution base. For the health insurance contribution, we simulate contributions only if self-employed earnings are above the minimum wage, which might explain the under simulation of amounts, together with the under simulation of the number of taxpayers.

Other contributions are in-line with the external information provided (See Annex 3, Table 4.7).

Total revenues from *the personal income tax* are in line with external statistics, small discrepancies are observed at amounts. These are attributable to the unavailability of final external data and the use of provisional estimates.

4.1.4. Validation of benefits

The number of recipients and amounts of *child raising indemnity* is significantly smaller than official statistics. This is explained by the small number of children aged 0 and 1 in the dataset. We do not simulate entitlements for disabled children between 2 and 3 years which could also slightly reduce our estimates in comparison with external data. The difference between the number of

beneficiaries from simulation and external statistics leads to discrepancies between the simulated amounts and the external statistics for the *child raising indemnity*. Both the number of recipients of the *child raising incentive (for working mothers)* and the amounts paid are relatively consistent with external statistics. (See Annex 3, Table 4.7).

The number of beneficiaries of the guaranteed minimum income, and since 2024 its replacement, the minimum inclusion income, is relatively overestimated. This can be explained by the fact that not all the conditions for receiving social assistance can be simulated in the model – the list of necessity goods that are eligibility conditions for receiving social assistance is not implemented in the model (except for the possession of a car and financial assets), and neither is the eligibility condition regarding community services that must be done by the recipient (or a household member). A calibration that has been implemented in the model to improve the simulation eliminates receipt for families that are headed by persons aged 18-26. After the calibration the number of recipients is still overestimated 1.6-1.7 times compared to external statistics. The *guaranteed minimum income / minimum inclusion income* amounts are consequently overestimated compared with external statistics.. (See Annex 3, Table 4.7).

The *unemployment benefit* recipients and amounts are strongly under simulated. This can be explained by the very small number of unemployed in the original dataset (See Annex 3, Table 4.7).

The number of recipients and amounts for *Money for high school* is strongly overestimated. This can be explained by the non-take up phenomenon and the fact that certain conditions cannot be simulated in the model (such as educational performances, absenteeism etc.) (See Annex 3, Table 4.7).

The *support allowance* for families with children is overestimated both in number of beneficiaries and amounts. This is consequence of not simulating all the conditions for receiving support allowance, due to the lack of information in the survey concerning the list of necessity goods that are eligibility conditions (except for the possession of a car and financial assets). As being a means-tested benefit, the number of recipients could also be affected by the non-take up behaviour. (See Annex 3, Table 4.7).

The number of recipients of the *guaranteed minimum pension* (minimum social pension) is underestimated. Also, the amounts simulated for the *guaranteed minimum pension* are well below the external benchmarks. (See Annex 3, Table 4.7).

The number of recipients of *heating aid* is over simulated. This is because information on several relevant policy elements does not exist in the dataset and, as a result, is fully imputed based on averages per type of heating and area of residence. The beneficiaries go through a supplementary means-testing on goods, which is not simulated in EUROMOD.

Both the number of recipients and the amounts for food vouchers are overestimated, though the external data are still provisional. The supplementary benefit for pensioners is generally underestimated, but its macrovalidation also relies on preliminary external data. The simulation of educational vouchers is broadly consistent with external data. Income distribution

All income distribution results presented here are computed for individuals according to their household disposable income (HDI) equivalised by the “modified OECD” equivalence scale. HDI are calculated as the sum of all income sources of all household members net of income tax and social insurance contributions. The weights in the OECD equivalence are: first adult=1; additional people aged 14+ = 0.5; additional people aged under 14 = 0.3.

4.1.5. Income inequality

The income distribution indicators in EUROMOD are relatively close to those generated directly using SILC data (See Annex2, Table 4.9). Mean and median incomes in EUROMOD are very close to external benchmarks, as is the Gini coefficient. The decile ratio is however lower in EUROMOD. These differences are more obvious in the detailed income distribution by decile shares, which is more divergent between the two sources at the bottom of the distribution. The difference is particularly large in the case of the first decile, while discrepancies are small in the case of the other deciles. The over simulation of benefits may result in over simulation of income at the bottom deciles and combined with the under-simulation of tax in the 10th decile leads to the under simulation of the S80/ S20 measure.

The aggregated amount of income taxes simulated in EUROMOD is below the external figures, this is what could lead to higher disposable income in EUROMOD, thus a possible explanation for the distributional differences. However, overall differences between EUROMOD generated results and the external benchmark are small.

4.1.6. Poverty rates

The calculations based on EUROMOD are generally consistent with the information from SILC regarding the poverty rates (See Annex2, Table 4.10). The alignment of poverty rates between the two sources is stronger at the higher poverty lines suggesting that there may be some overestimation of incomes at the very bottom of the distribution in EUROMOD.

Poverty rates using the customary 60% of median equivalised disposable income threshold are relatively well aligned for all age groups and both genders.

4.2. Validation of minimum wage

Including minimum wage in the simulations has little impact on the overall results. As expected, employment, disposable income, simulated taxes and social insurance contributions increase slightly while social assistance remains almost the same. Poverty also is slightly lower when minimum wage is simulated. However, the estimated differences are very small indicating that the number of individuals with recorded hourly wages below the minimum is very small in the dataset.

4.3. Summary of “health warnings”

This final section summarises the main findings in terms of particular aspects of the part of EUROMOD or its database that should be borne in mind when planning appropriate uses of the model and when interpreting results.

- The sample is relatively small and is calibrated by age group (except for the groups 0-15 years and 75+years), residence (rural/ urban) and gender. Therefore, care should be taken in analysing and interpreting the results for small groups.
- The database used in the simulations is the 2024 SILC with 2023 income data, for the subsequent years the monetary variables are uprated with income specific uprating factors. The socio-demographic characteristics and labour market variables are not updated, remaining at their initial values.

- Some of the benefit income variables in the original SILC dataset had to be disaggregated for taxation and social insurance contribution purposes; this inevitably introduces an amount of error.
- The macro-validation is based on external statistics from official survey data (HBS, LFS) and from administrative records (budgets, number of social benefits' recipients) as well. For 2025 (and in some cases for 2024 as well), only preliminary external estimates are available.
- Differences between input data and external statistics may result also from the different accounting, i.e., external statistics is often based on monthly average or situation at the end of the year, while EUROMOD gives annual results, which could be relevant especially for the number of recipients/taxpayers.
- While the simulation results on the number of employed are consistent with the information offered by the external statistics, it is obvious that there are quite significant differences between simulation results and the external statistics regarding the number of unemployed; in particular, the number of unemployed is overestimated in EUROMOD compared with external benchmarks.
- Some types of market incomes such as rental or investment income are not fully captured while total employment income is slightly overestimated in the dataset.
- The number of recipients of the guaranteed minimum income and its replacement since 2024 – the minimum inclusion income – is overestimated in EUROMOD. This can be explained by the fact that not all the conditions for receiving social assistance can be simulated in the model – the list of necessity goods that are eligibility conditions for benefiting of social assistance is not implemented in the model, and neither is the eligibility condition regarding community services that must be done by the recipient (or a household member).
- The child raising allowance related to children less than 2 years is under-simulated both in numbers and amount mainly because there are not enough children aged 0 and 1 in the dataset.
- The income distribution slightly differs between the two sources, EUROMOD and SILC. The possible explanations that could be mentioned concerning the differences in the income distribution is the *optimisation of tax allowances* which is done in EUROMOD; thus, the disposable income of especially low-income households is lifted by this procedure.
- Except for the guaranteed minimum income/ minimum inclusion income where some adjustments are made, 100% benefit take-up is assumed.
- Adjustments for tax compliance (social insurance, health insurance, income tax) are implemented in the case of self-employed in agriculture, living in rural areas with income level below the average gross wage.

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List of abbreviations and definitions

Abbreviation	Definition
AIDS	Acquired Immune Deficiency Syndrome
CIA	Consumption Inflation Adjustment
COICOP	Classification Of Individual COnsumption according to Purpose
CPI	Consumer Price Index
CT	Consumption Taxes
DG	Directorate-General
DG ECFIN	European Commission Directorate-General for Economic and Financial Affairs
EM	EUROMOD
DG EMPL	Directorate-General for Employment, Social Affairs and Inclusion
EMSD	EUROMOD SILC Database
EMZOT	Eșantionul Multifuncțional de Zone Teritoriale (Multifunctional Sample of Territorial Areas (Romanian))
ESTAT	Eurostat
EU	European Union
EUR	Euro
GEO	Government Emergency Ordinances
HBS	Household Budget Survey
HDI	Household Disposable Income

Abbreviation	Definition
HICP	Harmonised Index of Consumer Prices
HIV	Human immunodeficiency virus
ISER	Institute for Social and Economic Research
ISR	Social Reference Indicator (Indicatorul Social de Referință)
JRC	Joint Research Centre
LFS	Labour Force Survey
LPG	Liquefied Petroleum Gas
NACE	Nomenclature statistique des activités économiques dans la Communauté européenne (Statistical Classification of Economic Activities in the European Community)
NRR	Net Replacement Rate
OECD	Organisation for Economic Co-operation and Development
PIT	Personal Income Tax
PSU	Primary Sampling Unit
DG REFORM	European Commission Reform and Investment Task Force
RO	Romania
RON	Romanian leu
SG	Secretariat-General
SIC	Social Insurance Contributions
SILC	Statistics on Income and Living Conditions
DG TAXUD	European Commission Directorate-General for Taxation and Customs

Abbreviation	Definition
UDB	User Database
VAT	Value Added Tax

List of figures

Figure A1: Policy effects in 2024-2025, using the CPI-indexation [1.05056], %..... 87

List of tables

Table 1.1 Main policy changes [2020 - 2024].....	22
Table 2.1 Simulation of benefits in EUROMOD.....	25
Table 2.2 Simulation of taxes and social contributions in EUROMOD.....	27
Table 2.3 EUROMOD Spine: order of simulation.....	28
Table 2.4 State allowance for children (<i>Alocația de stat pentru copii</i>) (bchnm_ro).....	37
Table 2.5 Guaranteed min income thresholds (Venitul minim garantat) (bsa_ro).....	42
Table 2.6 Married couples, support allowance for families with children (bchmt_ro).....	44
Table 2.7 Lone parents, support allowance for families with children (bchmt_ro).....	45
Table 2.8 Minimum inclusion income thresholds, 2024-2025 (Venitul minim de incluziune) (bsa00_ro).....	46
Table 2.9 Minimum inclusion income amounts, 2024-2025 (Venitul minim de incluziune) (bsa00_ro).....	46
Table 2.10 Thermal energy provided by the centralized system, 2022-2025.....	48
Table 2.11 Natural gas, 2022-2025.....	49
Table 2.12 Wood, coal and oil fuel, 2022-2025.....	49
Table 2.13 Electricity, 2022-2025.....	50
Table 2.14 Summary of personal tax deduction for dependents.....	59
Table 2.15 VAT rates.....	62
Table 2.16 Ad-valorem excise rates.....	62
Table 2.17 Specific (ad-quantum) excise rates.....	62
Table 2.18 Prices of Excise products.....	63
Table 3.1 EUROMOD database description.....	65
Table 3.2 Extended EUROMOD database description.....	68
Table 3.3 Expenditure coverage of Extended EM Input files.....	69
Table 4.1 Components of disposable income.....	70
Table A1.1 Uprating Factors.....	82
Table A1: Policy effects for RO in 2024-2025, using the CPI indexation [1.05056] on dataset RO_2024_b1_2015_03_e2, %.....	86

Table A2: Policy effects for RO in 2024-2025, without indexation on dataset
RO_2024_b1_2015_03_e2, %..... 86

Table A3: Validation Tables..... 88

Annexes

Annex 1. Uprating Factors

Table A1.1 Uprating Factors

Factor name		2022	2023	2024	2025	Source
Harmonised CPI (2005=100)	\$f_HICP	198.86	218.15	230.88	242.56	Source: Eurostat, http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=prc_hicp_aind&lang=en
Average monthly wage (gross), Lei	\$f_yem	6126	7042	8061	9171	Source: National Institute of Statistics, https://statistici.insse.ro/shop/ , (Labour Cost Survey, table FOM107C) 2014: monthly data Decembre - Ministry of Labour, http://www.mmuncii.ro/j33/index.php/ro/transparenta/statistici/date-statistic
Average monthly self-employment income, Lei	\$f_yse	2790.8	1899	2334	2617	Source: National Institute of Statistics, https://statistici.insse.ro/shop/ , (Household Budget Survey, table BUF104I),
Average monthly property income, Lei	\$f_ypr	7.7	4.12	8.2	19.5	Source: National Institute of Statistics, https://statistici.insse.ro/shop/ , (Household Budget Survey, table BUF104I),
Average monthly old-age pension (public), Lei	\$f_poa	2124	2408	2932	3153	Source: National Institute of Statistics, https://statistici.insse.ro/shop/ , (National House of Pensions, table PNS102A), data for 2022 - June
Average monthly survivors' pension, Lei	\$f_psu	1015	1145	1381	1506	Source: National Institute of Statistics, https://statistici.insse.ro/shop/ , (National House of Pensions, table PNS102A), data for 2022 - June
Average monthly disability pension, Lei	\$f_pdi00	816	889	1041	1119	Source: National Institute of Statistics, https://statistici.insse.ro/shop/ , (National House of Pensions, table PNS102A),
Lagged average monthly wage (gross), Lei	\$f_prevyem	5535	6126	7042	8061	Source: National Institute of Statistics, https://statistici.insse.ro/shop/ , (Labour Cost Survey, table FOM107C)

Average monthly state allowance for children (bchnm), Lei	\$f_bchnm	289.9	306	345	345	Source: Ministry of Labour, Family, Social Protection and Elderly, http://www.mmuncii.ro/j33/images/buletin_statistic/
Average monthly means-tested family benefit (bchmt), Lei	\$f_bchmt	179.5	202	202	202	Source: Ministry of Labour, Family, Social Protection and Elderly, http://www.mmuncii.ro/j33/images/buletin_statistic/
Average monthly means-tested social assistance (bsa), Lei	\$f_bsa	266.7	293	293	293	Source: Ministry of Labour, Family, Social Protection and Elderly, http://www.mmuncii.ro/j33/images/buletin_statistic/
Average annually heating benefit (bhoen), Lei	\$f_bhoen	563.3	1333.1	1434.5	1434.5	Source: Ministry of Labour, Family, Social Protection and Elderly, http://www.mmuncii.ro/j33/images/buletin_statistic/
Average monthly child raising allowance (bccnw), Lei	\$f_bccnw	2728.1	3048.6	3433.4	3709.0	Source: Ministry of Labour, Family, Social Protection and Elderly, http://www.mmuncii.ro/j33/images/buletin_statistic/
Average monthly disability benefit (bdi), Lei	\$f_bdi	228.9	252.1	279.3	295.3	Source: Ministry of Labour, Family, Social Protection and Elderly, http://www.mmuncii.ro/j33/images/buletin_statistic/
Value of the basic unemployment benefit, Lei	\$f_bun_Index	394.1	598	660	660	Source: Ministry of Labour, Family, Social Protection and Elderly
Value of the pension point (bais for all types of public pensions indexation), Lei	\$f_pen_Index	1586	1785	2032	2032	Source: National House of Pensions, http://www.cnpas.org/portal/media-type/html/language/ro/user/anon/page/pensions.psm?weblog_name=pensions&subject_id=1141805689624
Child allowance- Benefit amount, Lei	\$f_bchnm_Index	243	256	292	292	Source: Ministry of Labour, Family, Social Protection and Elderly
Allowance for newborn - Benefit amount, Lei	\$f_bchba_Index	380	380	380	380	Source: Ministry of Labour, Family, Social Protection and Elderly

Average monthly unemployment benefit (bun), Lei	\$f_bun	564	763	832.7	916.9	Source: National Institute of Statistics, https://statistici.insse.ro/shop/ , (table SOM105A)
Household disposable income, Lei	\$f_yds	4664.7	5200.0	5962.7	6635.5	Source: National Institute of Statistics, https://statistici.insse.ro/shop/ , (Household Survey Budget Survey, table BUF104I, 106I),
Educational allowance, Lei	\$f_bed_Index	250	250	250	250	Source: Ministry of Labour, Family, Social Protection and Elderly
Private pensions	\$f_ypp	1	1	1	1	Consider nominal value unchanged
Guaranteed minimum pension	\$f_bsaoa	1000	1125	1281	1281	Source: Maximum level for guaranteed minimum level
Leaded average monthly wage	\$f_yemLead	7364	8061	9171	9188	Source: National Institute of Statistics, https://statistici.insse.ro/shop/ , (Labour Cost Survey, table FOM107C) 2014: monthly data December - Ministry of Labour, http://www.mmuncii.ro/j33/index.php/ro/transparenta/statistici/date-statistic

Source: Data sources for each variable are provided in the rightmost column.

Annex 2. Policy Effects in 2024-2025

Table A1 and A2, and Figure A1 show the effect of 2025 policies on the mean equivalised household disposable income by income component and income decile group, as a percentage of mean equivalised household disposable income in 2024. The effect is estimated as a difference between simulated household net income under the 2025 tax-benefit policies (in real terms by deflating monetary parameters by *projected* Eurostat's Harmonized Index of Consumer Prices, HICP, and in nominal terms with no deflation) and net incomes simulated under 2024 policies.

The disposable income of all households has decreased because of policy changes between 2024 and 2025 on average by approximately 0.85% in nominal terms, and by 2.18% in real terms (see Table A1, Table A2 and Figure A1).

The policy changes were the following: (1) the indexation of the Social Reference Indicator (ISR) was suspended in 2025 as part of fiscal austerity measures, leaving unchanged the benefits that are linked to it, either as thresholds or amounts (unemployment benefit, minimum child raising benefit, placement allowance, disability benefits); (2) all PIT and social contributions exemptions for specific sectors (construction, agriculture and food industry, IT) have been eliminated; (3) the indexation of the state allowance for children, and of the minimum pension threshold were also suspended as part of the austerity measures; (4) indexation of the minimum inclusion income with the average annual inflation rate of the year 2024, namely by 5.6%; (5) the support for low-income pensioners suspended in 2024 was reintroduced in 2025; (6) the income thresholds for the educational vouchers were increased by 9.3% for families with preschool children and by 23.3% for families with primary and lower secondary school children; (7) the tax allowance for the personal income tax due on employment income has been increased due to the increase of the statutory minimum wage (by 22.7%); (8) the benchmark for the supplementary tax deduction for young employees was raised, as it is also tied to the minimum statutory wage. Besides these, no other changes have been modelled.

Most of the change in disposable income is driven by the removal of long-standing tax exemptions for specific sectors (agriculture, food industry, construction, and IT). Eliminating these exemptions increases employment taxes, which mainly affect higher-income households. Lower-income households remain protected by tax allowances, which have become more generous as they are linked to the statutory minimum wage, which has increased (+0.34%). The modest increases in benefits were insufficient to compensate for the higher SIC and PIT (overall increase by 1.2%), except for the first two deciles which experienced an increase in disposable income in nominal terms (by 1.25% and 1.08%).

In addition, rising prices (+5.1%) further eroded the disposable income of all households, with pensioners being particularly affected. For them, the indexation mechanisms previously in place were suspended as part of fiscal consolidation measures. As a result, their real incomes fell by 1.04%, with the largest losses concentrated among those at the lower end of the income distribution.

Table A1: Policy effects for RO in 2024-2025, using the CPI indexation [1.05056] on dataset RO_2024_b1_2015_03_e2, %

Decile	Original income	Public pensions	Means-tested benefits	Non-means-tested benefits	Employee SIC	Self-employed SIC	Other SIC	Direct taxes	Disposable income
1	0.00	-1.30	-0.20	-0.60	-0.05	0.05	0.00	0.21	-1.89
2	0.00	-1.84	1.49	-0.30	-0.67	0.02	0.00	-0.36	-1.66
3	0.00	-1.65	0.66	-0.22	-0.82	0.00	0.00	-0.26	-2.29
4	0.00	-1.57	0.34	-0.18	-0.49	0.01	0.00	0.26	-1.62
5	0.00	-1.28	0.29	-0.14	-0.93	-0.08	0.00	-0.46	-2.60
6	0.00	-1.12	0.15	-0.14	-0.74	-0.01	0.00	-0.37	-2.23
7	0.00	-1.05	0.12	-0.12	-0.79	0.03	0.00	-0.53	-2.34
8	0.00	-0.92	0.08	-0.10	-0.74	-0.06	0.00	-0.53	-2.27
9	0.00	-0.81	0.05	-0.07	-0.78	-0.04	0.00	-0.72	-2.37
10	0.00	-0.54	0.02	-0.05	-0.63	-0.02	0.00	-0.83	-2.05
Total	0.00	-1.04	0.21	-0.13	-0.71	-0.02	0.00	-0.49	-2.18

Source: EUROMOD.

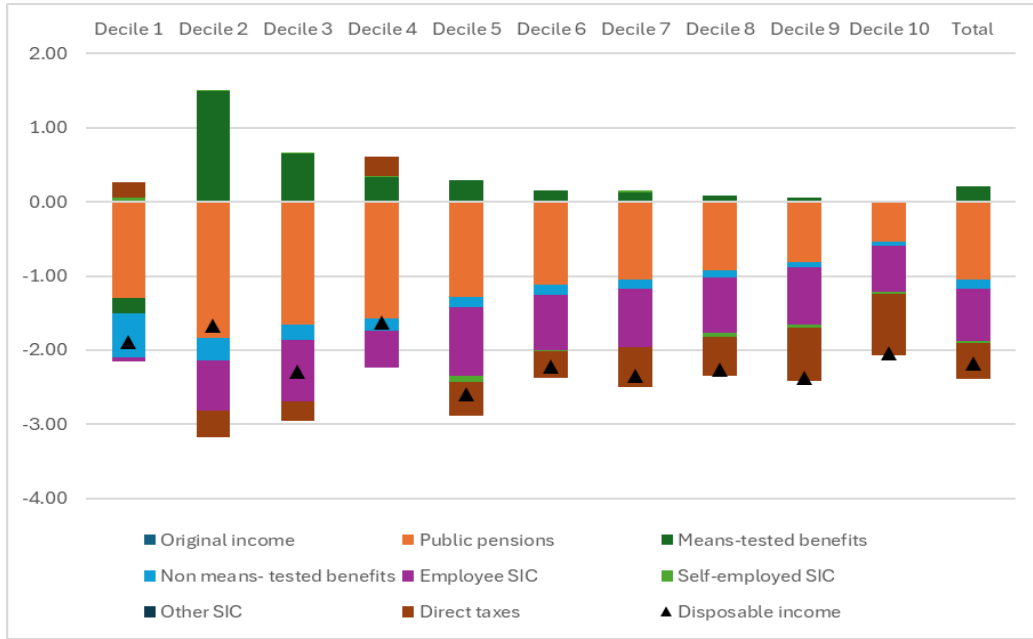
Table A2: Policy effects for RO in 2024-2025, without indexation on dataset RO_2024_b1_2015_03_e2, %

Decile	Original income	Public pensions	Means-tested benefits	Non-means-tested benefits	Employee SIC	Self-employed SIC	Other SIC	Direct taxes	Disposable income
1	0.00	0.00	0.99	0.07	-0.05	0.05	0.00	0.20	1.25
2	0.00	0.00	1.98	0.06	-0.67	0.03	0.00	-0.31	1.08
3	0.00	0.00	0.87	0.04	-0.82	-0.01	0.00	-0.17	-0.10
4	0.00	0.00	0.43	0.06	-0.49	0.02	0.00	0.34	0.37
5	0.00	0.00	0.38	0.03	-0.93	-0.04	0.00	-0.38	-0.93
6	0.00	0.00	0.18	0.02	-0.74	-0.01	0.00	-0.32	-0.87
7	0.00	0.00	0.16	0.01	-0.79	0.02	0.00	-0.51	-1.11
8	0.00	0.00	0.10	0.02	-0.74	-0.06	0.00	-0.53	-1.21
9	0.00	0.00	0.06	0.02	-0.78	-0.07	0.00	-0.75	-1.52
10	0.00	0.00	0.02	0.05	-0.63	-0.02	0.00	-0.86	-1.43
Total	0.00	0.00	0.31	0.03	-0.71	-0.02	0.00	-0.47	-0.85

Notes: Shown as a percentage change in mean equivalised household disposable income by income component and income decile group. Income decile groups are based on equivalised household disposable income in 2024, using the modified OECD equivalence scale. Each policy system has been applied to the same input data, deflating monetary parameters of 2025 policies by Eurostat's Harmonized Index of Consumer Prices (HICP).

Source: EUROMOD.

Figure A1: Policy effects in 2024-2025, using the CPI-indexation [1.05056], %



Source: EUROMOD.

Annex 3. Validation Tables

Table A3: Validation Tables

Table A3.1. Original income in EUROMOD - Number of recipients (thousands)

	Simulated (Y / N)	EUROMOD				External				Ratio			
		2022	2023	2024	2025	2022	2023	2024	2025	2022	2023	2024	2025
Earnings (ils_earn)													
Employment income (yem)	N	6,852	7,509	7,509	7,509	6,657	6,597	6,702	6,667	1.03	1.14	1.12	1.13
Self-employment income (yse)	N	1,530	1,096	1,096	1,096	816	777	942	835	1.87	1.41	1.16	1.31
Covid-19 compensation paid by the firm (yemmc_s)	Y	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Other original income (ils_origy - ils_earn)													
Investment income (yiy)	N	50	43	43	43	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Property income (ypr)	N	106	220	220	220	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Private pensions (ypp)	N	10	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Other income (income of children<16) (yot)	N	136	268	268	268	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Private transfers (ypt)	N	323	762	762	762	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Maintenance payments (xmp)	N	52	277	277	277	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN

Source: Own elaboration.

... continued **Table A3.1**

	Source	Comments
Earnings (ils_earn)		
Employment income (yem)	National Institute of Statistics, https://statistici.insse.ro/shop/ (tables FOM107C, FOM107D, AMG1101)	2025-average q1-q3
Self-employment income (yse)	National Institute of Statistics, https://statistici.insse.ro/shop/ (tables BUF104I, BUF103I, AMG1101)	2025-average q1-q2
Covid-19 compensation paid by the firm - (yemmc_s)	-	-
Other original income (ils_origy - ils_earn)		
Investment income (yiy)	-	-
Property income (ypr)	National Institute of Statistics, https://statistici.insse.ro/shop/ (tables BUF104I, BUF103I)	2025-average q1-q2
Private pensions (ypp)	-	-
Other income (income of children<16) (yot)	-	-
Private transfers (ypt)	-	-
Maintainance payments (xmp)	-	-

Source: Own elaboration.

Table A3.2. Original income in EUROMOD - Annual amounts (millions)

	Simulated (Y / N)	EUROMOD				External				Ratio			
		2022	2023	2024	2025	2022	2023	2024	2025	2022	2023	2024	2025
Earnings (ils_earn)													
Employment income (yem)	N	468,898	601,540	690,380	751,791	428,080	557,498	648,310	733,761	1.10	1.08	1.06	1.02
Self-employment income (yse)	N	34,343	26,049	32,016	35,898	20,006	21,474	26,385	26,219	1.72	1.21	1.21	1.37
Covid-19 compensation paid by the firm (yemmc_s)	Y	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Other original income (ils_origy - ils_earn)													
Investment income (yiy)	N	461	533	564	593	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Property income (ypr)	N	240	640	1,275	3,031	652	350	700	1,655	0.37	1.83	1.82	1.83
Private pensions (ypp)	N	186	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Other income (income of children<16) (yot)	N	231	342	362	380	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Private transfers (ypt)	N	1,778	4,681	4,955	5,205	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Maintainance payments (xmp)	N	194	1,203	1,273	1,337	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN

Source: Own elaboration.

Table A3.3. Direct taxes and SIC - Number of payers (thousands)

	Simulated (Y / N)	EUROMOD				SILC				Ratio				External				Ratio			
		2022	2023	2024	2025	2022	2023	2024	2025	2022	2023	2024	2025	2022	2023	2024	2025	2022	2023	2024	2025
Direct taxes (ils_tax)																					
Personal Income Tax (Impozitul pe venit) (tin_s)	Y	8,919	9,645	10,219	9,680	0	0	0	0	0.00	0.00	0.00	0.00	8,940	9,293	9,563	9,290	1.00	1.04	1.07	1.04
Property tax (tpr)	N	7,104	10,814	10,814	10,814	7,104	10,814	10,814	10,814	1.00	1.00	1.00	1.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Employee Social Insurance Contributions (ils_sicee)																					
Employee social insurance contributions (tscepi_s)	Y	6,852	7,509	7,509	7,509	0	0	0	0	0.00	0.00	0.00	0.00	6,645	6,597	6,702	6,667	1.03	1.14	1.12	1.13
Employee unemployment insurance contributions (tsceui_s)	Y	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Employee health insurance contributions (tscehl_s)	Y	5,933	6,618	7,509	7,509	0	0	0	0	0.00	0.00	0.00	0.00	6,645	6,597	6,702	6,667	0.89	1.00	1.12	1.13
Self-employed Social Insurance Contributions (ils_sicse)																					
Self-employed social insurance contributions (tscsepi_s)	Y	213	150	169	173	0	0	0	0	0.00	0.00	0.00	0.00	775	777	942	835	0.27	0.19	0.18	0.21
Self-employed health insurance contributions (tscsehl_s)	Y	213	406	402	422	0	0	0	0	0.00	0.00	0.00	0.00	775	777	942	835	0.27	0.52	0.43	0.51
Self-employed sickness insurance contributions (tscsesi_s)	Y	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Self-employed accident insurance contributions (tscseac_s)	Y	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Employer Social Insurance Contributions (ils_sicer)																					
Employer social insurance contributions (tscerpi_s)	Y	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Employer unemployment insurance contributions (tscerui_s)	Y	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Employer sickness insurance contributions (tscersi_s)	Y	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Employer accident insurance contributions (tscerac_s)	Y	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Employer salary guarantee fund (tscersf_s)	Y	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Employer work insurance contribution (tscer05_s)	Y	6,852	7,509	7,509	7,509	0	0	0	0	0.00	0.00	0.00	0.00	6,645	6,597	6,702	6,667	1.03	1.14	1.12	1.13

	Simulated	EUROMOD				SILC				Ratio				External				Ratio			
	(Y / N)	2022	2023	2024	2025	2022	2023	2024	2025	2022	2023	2024	2025	2022	2023	2024	2025	2022	2023	2024	2025
Credited Contributions (ils_sicct)																					
Credited pension insurance contributions (tscctpi_s)	Y	6	20	20	20	0	0	0	0	0.00	0.00	0.00	0.00	44	52	58	53	0.14	0.39	0.35	0.38
Credited health insurance contributions (tsccth_l_s)	Y	7	7	7	7	0	0	0	0	0.00	0.00	0.00	0.00	379	384	330	353	0.02	0.02	0.02	0.02
Other Contributions (ils_sicot)																					
(tscpehl_s)	Y	332	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN

Source: Own elaboration.

... continued **Table A3.3**

	Source	Comments
Direct taxes (ils_tax)		
Personal Income Tax (Impozitul pe venit) (tin_s)	National Institute of Statistics, https://statistici.insse.ro/shop/ , (table FIN101B)	provisional data for 2025, https://mfinante.gov.ro/domenii/bugetul-de-stat/informatii-executie-bugetara
Property tax (tpr)	-	-
Employee Social Insurance Contributions (ils_sicee)		
Employee social insurance contributions (tsceepi_s)	National Institute of Statistics, https://statistici.insse.ro/shop/ , (table FIN103B)	provisional data for 2023&2024&2025, https://mfinante.gov.ro/static/10/Mfp/buget2022/legeBASS2022.pdf
Employee unemployment insurance contributions (tsceeu_i_s)	-	-
Employee health insurance contributions (tsceeh_l_s)	National Health Insurance House, https://cnas.ro/fnuass/	provisional data for 2024&2025, https://mfinante.gov.ro/static/10/Mfp/buget2022/legeBASS2022.pdf
Self-employed Social Insurance Contributions (ils_sicse)		
Self-employed social insurance contributions (tscsepi_s)	National Institute of Statistics, https://statistici.insse.ro/shop/ , (table FIN103B)	provisional data for 2023&2024&2025, https://mfinante.gov.ro/static/10/Mfp/buget2022/legeBASS2022.pdf
Self-employed health insurance contributions (tscsehl_s)	National Health Insurance House, https://cnas.ro/fnuass/	provisional data for 2024&2025, https://mfinante.gov.ro/static/10/Mfp/buget2022/legeBASS2022.pdf
Self-employed sickness insurance contributions (tscsesi_s)	-	-
Self-employed accident insurance contributions (tscseac_s)	-	-
Employer Social Insurance Contributions (ils_sicer)		
Employer social insurance contributions (tscerpi_s)	-	-
Employer unemployment insurance contributions (tscerui_s)	-	-
Employer sickness insurance contributions (tscersi_s)	-	-
Employer accident insurance contributions (tscerac_s)	-	-
Employer salary guarantee fund (tscersf_s)	-	-
Employer work insurance contribution (tscer05_s)	National Institute of Statistics, https://statistici.insse.ro/shop/ , (table FIN103B)	provisional data for 2023&2024&2025, https://mfinante.gov.ro/static/10/Mfp/buget2022/legeBASS2022.pdf
Credited Contributions (ils_sicct)		
Credited pension insurance contributions (tscttpi_s)	National Agency for Employment, Unemployment Budget, http://www.anofm.ro	provisional data for 2025

	Source	Comments
Credited health insurance contributions (tscctl_s)	National Health Insurance House, https://cnas.ro/fnuass/	provisional data for 2024&2025, https://mfinante.gov.ro/static/10/Mfp/buget2022/legeBASS2022.pdf
Other Contributions (ils_sicot) (tscpehl_s)	-	-

Source: Own elaboration.

Table A3.4. Direct taxes and SIC - Annual amounts (millions)

	Simulated	EUROMOD				SILC				Ratio				External				Ratio			
	(Y / N)	2022	2023	2024	2025	2022	2023	2024	2025	2022	2023	2024	2025	2022	2023	2024	2025	2022	2023	2024	2025
Direct taxes (ils_tax)																					
Personal Income Tax (Impozitul pe venit) (tin_s)	Y	31,589	38,186	44,866	51,918	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	31,372	40,070	49,045	43,846	1.01	0.95	0.91	1.18
Property tax (tpr)	N	4,913	4,273	4,523	4,751	4,913	4,273	4,523	4,751	1.00	1.00	1.00	1.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Employee Social Insurance Contributions (ils_sicee)																					
Employee social insurance contributions (tsceepi_s)	Y	114,854	147,580	168,406	187,948	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	88,785	108,975	124,689	138,461	1.29	1.35	1.35	1.36
Employee unemployment insurance contributions (tsceeu_i_s)	Y	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Employee health insurance contributions (tsceeh_l_s)	Y	40,851	53,792	69,038	75,179	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	37,300	42,051	56,678	60,087	1.10	1.28	1.22	1.25
Self-employed Social Insurance Contributions (ils_sicse)																					
Self-employed social insurance contributions (tscepi_s)	Y	1,646	1,441	1,811	2,147	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	929	994	1,088	1,390	1.77	1.45	1.66	1.54
Self-employed health insurance contributions (tscehl_s)	Y	659	1,492	1,846	2,199	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	942	980	2,297	2,409	0.70	1.52	0.80	0.91
Self-employed sickness insurance contributions (tsces_i_s)	Y	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Self-employed accident insurance contributions (tsceac_s)	Y	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Employer Social Insurance Contributions (ils_sicer)																					
Employer social insurance contributions (tscerpi_s)	Y	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Employer unemployment insurance contributions (tscerui_s)	Y	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Employer sickness insurance contributions (tscers_i_s)	Y	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Employer accident insurance contributions (tscerac_s)	Y	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Employer salary guarantee fund (tscersf_s)	Y	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Employer work insurance contribution (tscerO5_s)	Y	10,550	13,535	15,534	16,915	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	8,553	9,890	11,233	12,474	1.23	1.37	1.38	1.36

	Simulated (Y / N)	EUROMOD				SILC				Ratio				External				Ratio			
		2022	2023	2024	2025	2022	2023	2024	2025	2022	2023	2024	2025	2022	2023	2024	2025	2022	2023	2024	2025
Credited Contributions (ils_sicct)																					
Credited pension insurance contributions (tsctpi_s)	Y	10	23	26	26	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	79	87	145	145	0.12	0.27	0.18	0.18
Credited health insurance contributions (tscth_s)	Y	2	3	4	4	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	0	0	170	210	200.49	261.64	0.02	0.02
Other Contributions (ils_sicot)																					
(tscehl_s)	Y	740	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN

Source: Own elaboration.

Table A3.5. Benefits - Number of recipients (thousands)

	Simulated	EUROMOD				SILC				Ratio				External				Ratio			
	(Y / N)	2022	2023	2024	2025	2022	2023	2024	2025	2022	2023	2024	2025	2022	2023	2024	2025	2022	2023	2024	2025
Pensions (ils_pen)																					
Old age pensions (poa)	N	4,111	4,130	4,130	4,130	4,111	4,130	4,130	4,130	1.00	1.00	1.00	1.00	3,804	3,826	3,839	3,755	1.08	1.08	1.08	1.10
Contributory invalidity pension (pdi00)	N	193	114	114	114	193	114	114	114	1.00	1.00	1.00	1.00	409	402	397	393	0.47	0.28	0.29	0.29
Survivor pensions & benefits (psu)	N	247	187	187	187	247	187	187	187	1.00	1.00	1.00	1.00	485	475	470	435	0.51	0.39	0.40	0.43
Means-tested benefits (ils_benmt)																					
Minimum guaranteed income (MGI) (bsa_s)	Y	402	282	0	0	0	2,655	2,655	2,655	0.00	0.11	0.00	0.00	156	163	NaN	NaN	2.57	1.73	NaN	NaN
Minimum inclusion income (bsa00_s)	Y	0	0	559	584	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	330	353	NaN	NaN	1.70	1.65
Means-tested educational allowance ("Money for high-school") (bched_s)	Y	107	73	0	0	0	0	0	0	0.00	0.00	0.00	0.00	21	21	NaN	NaN	5.22	3.56	NaN	NaN
Means-tested family benefits (bchmt_s)	Y	347	313	0	0	428	188	188	188	0.81	1.67	0.00	0.00	129	129	NaN	NaN	2.68	2.42	NaN	NaN
Means-tested heating benefit (bhoen_s)	Y	1,798	1,169	936	895	0	0	0	0	0.00	0.00	0.00	0.00	883	810	720	720	2.04	1.44	1.30	1.24
Minimum social pension (bsaoa_s)	Y	433	39	269	269	17	31	31	31	25.92	1.25	8.76	8.76	1,145	1,142	924	885	0.38	0.03	0.29	0.30
Other educational allowances (bed)	N	75	194	194	194	75	194	194	194	1.00	1.00	1.00	1.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Food vouchers, temporary 2022 (bsatm_s)	Y	1,862	1,461	1,590	1,601	0	0	0	0	0.00	0.00	0.00	0.00	2,500	2,500	1,116	1,116	0.74	0.58	1.42	1.44
Supplementary benefits for pensioners, temporary 2022 and 2023 (bsaoatm_s)	Y	2,385	3,100	0	2,146	0	0	0	0	0.00	0.00	0.00	0.00	5,836	4,024	NaN	2,430	0.41	0.77	NaN	0.88
Educational voucher, temporary 2023,2024 (bedtmot_s)	Y	0	444	451	427	0	0	0	0	0.00	0.00	0.00	0.00	NaN	500	410	410	NaN	0.89	1.10	1.04
Non-means-tested benefits (ils_bennt)																					
Contributory maternity benefit (bma)	N	40	63	63	63	40	63	63	63	1.00	1.00	1.00	1.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Child raising allowance-not in work (bccrw_s)	Y	25	51	51	51	13	15	15	15	1.86	3.36	3.36	3.36	174	168	160	155	0.14	0.31	0.32	0.33
Contributory sickness benefit (bhl)	N	7	7	7	7	7	7	7	7	1.00	1.00	1.00	1.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Contributory unemployment benefit (bun_s)	Y	6	20	20	20	13	26	26	26	0.50	0.79	0.79	0.79	46	52	58	53	0.14	0.39	0.35	0.38
Universal child benefit(simulated var) (bchnm_s)	Y	2,378	2,490	2,490	2,490	2,259	4,233	4,233	4,233	1.05	0.59	0.59	0.59	3,598	3,606	3,583	3,602	0.66	0.69	0.69	0.69
Child raising support for working mother (bccrw_s)	Y	97	99	99	99	0	0	0	0	0.00	0.00	0.00	0.00	87	86	84	80	1.12	1.15	1.17	1.23

	Simulated (Y / N)	EUROMOD				SILC				Ratio				External				Ratio			
		2022	2023	2024	2025	2022	2023	2024	2025	2022	2023	2024	2025	2022	2023	2024	2025	2022	2023	2024	2025
Birth grants (allowance for new-born children and the outfit for newborn children) (bchba_s)	Y	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Non-contributory disability benefits (bdi)	N	123	126	126	126	123	126	126	126	1.00	1.00	1.00	1.00	1,436	1,523	1,654	1,685	0.09	0.08	0.08	0.08
Marriage grant (bfacp)	N	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Severance payments (yunsv)	N	0	26	26	26	0	26	26	26	0.00	1.00	1.00	1.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Medical leave and maternity allowance (bmacl_s)	Y	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Paternity leave allowance (bpact_s)	Y	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Covid-19 compensation paid by the state (bwkmcee_s)	Y	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Covid-19 self-employment compensation paid by the state (bwkmcse_s)	Y	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	27	16	NaN	NaN	0.00	0.00	NaN	NaN
Covid-19 compensation for parental leave paid by the state (bplmc_s)	Y	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Supplementary benefits for students, temporary 2022 (bedtm_s)	Y	75	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	381	NaN	NaN	NaN	0.20	NaN	NaN	NaN
Cultural voucher for students, temporary 2024 (bedestm_s)	Y	0	0	1,895	1,895	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	50	50	NaN	NaN	37.89	37.89
Other external statistics (ils_extstat_other)																					

Source: Own elaboration.

... continued **Table A3.5**

	Source	Comments
Pensions (ils_pen)		
Old age pensions (poa)	National Institute of Statistics, https://statistici.insse.ro/shop/ (National House of Pensions, tables PNS101A, PNS102A)	2025-average Jan.-Sep.
Contributory invalidity pension (pdi00)	National Institute of Statistics, https://statistici.insse.ro/shop/ (National House of Pensions, tables PNS101A, PNS102A), http://mmuncii.ro/j33/images/buletin_statistic/pensii_I_2022.pdf for 2022	2025-average Jan.-Sep.
Survivor pensions & benefits (psu)	National Institute of Statistics, https://statistici.insse.ro/shop/ (National House of Pensions, tables PNS101A, PNS102A)	2025-average Jan.-Sep.
Means-tested benefits (ils_benmt)		
Minimum guaranteed income (MGI) (bsa_s)	Ministry of Labour and Social Protection, http://www.mmuncii.ro/j33/images/buletin_statistic/ ,	no longer in place since 2024
Minimum inclusion income (bsa00_s)	Ministry of Labour and Social Protection, http://www.mmuncii.ro/j33/images/buletin_statistic/ ,	2025-average based on the 1st semester
Means-tested educational allowance ("Money for high-school") (bched_s)	Ministry of Education, https://www.edu.ro/bani-de-liceu	no longer in place since 2024
Means-tested family benefits (bchmt_s)	Ministry of Labour and Social Protection, http://www.mmuncii.ro/j33/images/buletin_statistic/ ,	no longer in place since 2024
Means-tested heating benefit (bhoen_s)	Ministry of Labour and Social Protection, http://www.mmuncii.ro/j33/images/buletin_statistic/ ,	2025- no data
Minimum social pension (bsaoa_s)	National House of Public Pensions, https://www.cnpp.ro/indicatori-statistici-pilon-i	2025- based on data reported in Sept
Other educational allowances (bed)	-	-
Food vouchers, temporary 2022 (bsatm_s)	Ministry of European Investments and Projects	estimated based on partial data
Supplementary benefits for pensioners, temporary 2022 and 2023 (bsaoatm_s)	National House of Public Pensions, https://www.cnpp.ro/indicatori-statistici-pilon-i	esimated
Educational voucher, temporary 2023,2024 (bedtmot_s)	Ministry of Education	estimated based on partial data
Non-means-tested benefits (ils_bennt)		
Contributory maternity benefit (bma)	-	-
Child raising allowance-not in work (bccnw_s)	Ministry of Labour and Social Protection, http://www.mmuncii.ro/j33/images/buletin_statistic/ ,	2025- based on the 1st semester
Contributory sickness benefit (bhl)	-	-
Contributory unemployment benefit (bun_s)	National Institute of Statistics, https://statistici.insse.ro/shop/ , (tables SOM101C, SOM105A)	2025- not available
Universal child benefit(simulated var) (bchnm_s)	Ministry of Labour and Social Protection, http://www.mmuncii.ro/j33/images/buletin_statistic/ ,	2025- based on the 1st semester

	Source	Comments
Child raising support for working mother (bccrw_s)	Ministry of Labour and Social Protection, http://www.mmuncii.ro/j33/images/buletin_statistic/ ,	2025- based on the 1st semester
Birth grants (allowance for new-born children - and the outfit for newborn children) (bchba_s)		-
Non-contributory disability benefits (bdi)	Ministry of Labour and Social Protection, http://www.mmuncii.ro/j33/images/buletin_statistic/ ,	2025- based on the 1st semester
Marriage grant (bfacp)	-	-
Severance payments (yunsv)	-	-
Medical leave and maternity allowance (bmact_s)	-	-
Paternity leave allowance (bpact_s)	-	-
Covid-19 compensation paid by the state (bwkmcee_s)	National Employment Agency, https://www.anofm.ro/upload/42/ANOFM-cont_executie_la_31.12.2021_trimis_la_MFP.pdf	-
Covid-19 self-employment compensation paid by the state (bwkmcse_s)	National Agency for Social Payments and Inspection, https://www.mmanpis.ro/comunicat-indemnizatie-sprijin-covid-19/	-
Covid-19 compensation for parental leave paid by the state (bplmc_s)	National Employment Agency, https://www.anofm.ro/upload/42/ANOFM-cont_executie_la_31.12.2021_trimis_la_MFP.pdf	-
Supplementary benefits for students, temporary 2022 (bedtm_s)	-	-
Cultural voucher for students, temporary 2024 (bedestm_s)	Ministry of Education	estimated based on partial data
Other external statistics (ils_extstat_other)		

Source: Own elaboration.

Table A3.6. Benefits - Annual amounts (million)

	Simulated (Y / N)	EUROMOD				SILC				Ratio				External				Ratio			
		2022	2023	2024	2025	2022	2023	2024	2025	2022	2023	2024	2025	2022	2023	2024	2025	2022	2023	2024	2025
Pensions (ils_pen)																					
Old age pensions (poa)	N	122,035	130,017	148,009	148,009	122,035	130,017	148,009	148,009	1.00	1.00	1.00	1.00	96,956	110,556	135,071	142,072	1.26	1.18	1.10	1.04
Contributory invalidity pension (pdi00)	N	3,700	1,671	1,902	1,902	3,700	1,671	1,902	1,902	1.00	1.00	1.00	1.00	4,005	4,289	4,959	5,279	0.92	0.39	0.38	0.36
Survivor pensions & benefits (psu)	N	4,610	3,749	4,268	4,268	4,610	3,749	4,268	4,268	1.00	1.00	1.00	1.00	5,907	6,527	7,789	7,855	0.78	0.57	0.55	0.54
Means-tested benefits (ils_benmt)																					
Minimum guaranteed income (MGI) (bsa_s)	Y	869	785	0	0	0	4,872	4,872	4,872	0.00	0.16	0.00	0.00	501	573	NaN	NaN	1.73	1.37	NaN	NaN
Minimum inclusion income (bsa00_s)	Y	NaN	NaN	3,356	3,436	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	1,697	2,096	NaN	NaN	1.98	1.64
Means-tested educational allowance ("Money for high-school") (bched_s)	Y	321	219	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	62	62	NaN	NaN	5.22	3.56	NaN	NaN
Means-tested family benefits (bchmt_s)	Y	704	747	0	0	3,287	236	236	236	0.21	3.16	0.00	0.00	279	306	NaN	NaN	2.52	2.44	NaN	NaN
Means-tested heating benefit (bhoen_s)	Y	1,705	942	711	666	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	859	1,079	1,032	1,032	1.99	0.87	0.69	0.65
Minimum social pension (bsaoa_s)	Y	723	201	229	229	119	200	228	228	6.07	1.00	1.01	1.01	5,012	5,756	5,657	5,592	0.14	0.03	0.04	0.04
Other educational allowances (bed)	N	461	808	808	808	461	808	808	808	1.00	1.00	1.00	1.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Food vouchers, temporary 2022 (bsatm_s)	Y	1,862	2,192	2,384	2,402	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	2,500	3,750	1,674	837	0.74	0.58	1.42	2.87
Supplementary benefits for pensioners, temporary 2022 and 2023 (bsaoatm_s)	Y	2,987	2,341	0	1,717	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	5,244	6,748	NaN	1,944	0.57	0.35	NaN	0.88
Educational voucher, temporary 2023,2024 (bedtmot_s)	Y	NaN	222	226	213	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	250	205	205	NaN	0.89	1.10	1.04
Non-means-tested benefits (ils_bennt)																					
Contributory maternity benefit (bma)	N	387	574	659	755	387	574	659	755	1.00	1.00	1.00	1.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Child raising allowance-not in work (bccnw_s)	Y	1,853	2,261	2,588	2,943	177	195	220	237	10.50	11.60	11.79	12.41	5,682	6,153	6,589	6,881	0.33	0.37	0.39	0.43
Contributory sickness benefit (bhl)	N	24	31	36	41	24	31	36	41	1.00	1.00	1.00	1.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Contributory unemployment benefit (bun_s)	Y	39	92	102	102	97	15	17	19	0.40	5.99	6.06	5.50	321	379	581	581	0.12	0.24	0.18	0.18
Universal child benefit(simulated var) (bchnm_s)	Y	11,471	12,700	14,484	14,484	9,926	12,447	14,197	14,197	1.16	1.02	1.02	1.02	12,519	13,258	14,825	14,914	0.92	0.96	0.98	0.97
Child raising support for working mother (bccrw_s)	Y	866	850	850	850	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	797	831	808	763	1.09	1.02	1.05	1.11
Birth grants (allowance for new-born children and the outfit for newborn children) (bchba_s)	Y	NaN	NaN	NaN	NaN	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Non-contributory disability benefits (bdi)	N	1,623	1,253	1,388	1,467	1,623	1,253	1,388	1,467	1.00	1.00	1.00	1.00	3,943	4,609	5,542	5,971	0.41	0.27	0.25	0.25

	Simulated	EUROMOD				SILC				Ratio				External				Ratio			
	(Y / N)	2022	2023	2024	2025	2022	2023	2024	2025	2022	2023	2024	2025	2022	2023	2024	2025	2022	2023	2024	2025
Marriage grant (bfacp)	N	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Severance payments (yunsv)	N	0	99	113	129	0	99	113	129	0.00	1.00	1.00	1.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Medical leave and maternity allowance (bmact_s)	Y	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Paternity leave allowance (bpact_s)	Y	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Covid-19 compensation paid by the state (bwkmcee_s)	Y	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	122	NaN	NaN	NaN	0.00	NaN	NaN	NaN
Covid-19 self-employment compensation paid by the state (bwkmcse_s)	Y	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	524	53	NaN	NaN	0.00	0.00	NaN	NaN
Covid-19 compensation for parental leave paid by the state (bplmc_s)	Y	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	2	NaN	NaN	NaN	0.00	NaN	NaN	NaN
Supplementary benefits for students, temporary 2022 (bedtm_s)	Y	79	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	400	NaN	NaN	NaN	0.20	NaN	NaN	NaN
Cultural voucher for students, temporary 2024 (bedestm_s)	Y	NaN	NaN	474	474	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	13	13	NaN	NaN	37.89	37.89
Other external statistics (ils_extstat_other)																					

Source: Own elaboration.

Table A3.7. Distribution of equivalised disposable income

	EUROMOD				External				Ratio			
	2022	2023	2024	2025	2022	2023	2024	2025	2022	2023	2024	2025
Decile 1	2.65	3.05	3.22	3.17	2.10	2.80	NaN	NaN	1.26	1.09	NaN	NaN
Decile 2	4.85	5.06	5.03	5.02	4.30	5.00	NaN	NaN	1.13	1.01	NaN	NaN
Decile 3	6.12	6.51	6.43	6.38	6.00	6.40	NaN	NaN	1.02	1.02	NaN	NaN
Decile 4	7.38	7.65	7.64	7.59	7.40	7.70	NaN	NaN	1.00	0.99	NaN	NaN
Decile 5	8.23	8.73	8.69	8.60	8.60	8.60	NaN	NaN	0.96	1.02	NaN	NaN
Decile 6	9.67	9.88	9.79	9.84	9.90	10.00	NaN	NaN	0.98	0.99	NaN	NaN
Decile 7	11.07	11.15	11.05	10.99	11.30	11.10	NaN	NaN	0.98	1.00	NaN	NaN
Decile 8	12.59	12.57	12.54	12.56	13.00	12.70	NaN	NaN	0.97	0.99	NaN	NaN
Decile 9	14.93	14.72	14.74	14.78	15.40	14.80	NaN	NaN	0.97	0.99	NaN	NaN
Decile 10	22.51	20.68	20.87	21.07	22.00	21.00	NaN	NaN	1.02	0.98	NaN	NaN
Median	33,237	40,035	44,894	47,095	32,388	38,769	NaN	NaN	1.03	1.03	NaN	NaN
Mean	36,747	43,004	48,784	51,639	35,051	41,706	NaN	NaN	1.05	1.03	NaN	NaN
Gini	30.05	27.32	27.38	27.69	31.00	28.00	NaN	NaN	0.97	0.98	NaN	NaN
S80/20	5.00	4.36	4.32	4.38	5.83	4.62	NaN	NaN	0.86	0.94	NaN	NaN

Source: Own elaboration.

Table A3.8. At-risk-of-poverty rates (%) by sex and age

	EUROMOD				External				Ratio			
	2022	2023	2024	2025	2022	2023	2024	2025	2022	2023	2024	2025
40% median HDI by sex												
Total	7.43	6.67	6.44	6.30	11.50	7.30	NaN	NaN	0.65	0.91	NaN	NaN
Males	8.17	7.24	6.72	6.54	12.10	8.10	NaN	NaN	0.68	0.89	NaN	NaN
Females	6.73	6.12	6.17	6.07	10.80	6.60	NaN	NaN	0.62	0.93	NaN	NaN
50% median HDI by sex												
Total	12.43	12.55	12.13	11.67	17.30	12.70	NaN	NaN	0.72	0.99	NaN	NaN
Males	12.68	12.43	11.89	11.41	17.40	13.00	NaN	NaN	0.73	0.96	NaN	NaN
Females	12.19	12.66	12.35	11.91	17.30	12.40	NaN	NaN	0.70	1.02	NaN	NaN
60% median HDI by sex												
Total	19.11	18.93	18.58	18.53	21.10	19.00	NaN	NaN	0.91	1.00	NaN	NaN
Males	18.72	18.39	17.93	17.97	21.30	18.90	NaN	NaN	0.88	0.97	NaN	NaN
Females	19.48	19.45	19.19	19.06	20.80	19.00	NaN	NaN	0.94	1.02	NaN	NaN
70% median HDI by sex												
Total	26.76	25.00	24.97	25.11	28.40	25.40	NaN	NaN	0.94	0.98	NaN	NaN
Males	26.20	23.80	23.81	23.86	28.00	24.70	NaN	NaN	0.94	0.96	NaN	NaN
Females	27.29	26.13	26.07	26.30	28.70	26.10	NaN	NaN	0.95	1.00	NaN	NaN
60% median HDI by age group												
0-15 years	24.03	23.36	21.84	21.76	29.50	25.70	NaN	NaN	0.81	0.91	NaN	NaN
16-24 years	26.20	23.35	23.03	23.23	28.30	24.70	NaN	NaN	0.93	0.95	NaN	NaN
25-49 years	17.17	15.38	14.52	14.43	20.50	16.50	NaN	NaN	0.84	0.93	NaN	NaN
50-64 years	18.34	17.82	16.91	16.75	19.00	17.60	NaN	NaN	0.97	1.01	NaN	NaN
65+ years	15.60	20.41	22.49	22.53	15.40	16.40	NaN	NaN	1.01	1.24	NaN	NaN

Source: Own elaboration.

Table A3.9. Consumption taxes (non-calibrated) - Annual amounts (millions)

	Simulated	EUROMOD				External				Ratio			
	(Y / N)	2022	2023	2024	2025	2022	2023	2024	2025	2022	2023	2024	2025
Consumption-tax-related statistics non-calibrated (ils_extstat_itncl)													
ITT - Aggregate expenditures non-calibrated (ils_extstat_itncl_il_itt_expnc)													
01 Food and non-alcoholic beverages (il_x01)	Y	182,953	213,051	243,352	256,564	216,974	249,338	279,659	279,659	0.84	0.85	0.87	0.92
02 Alcoholic beverages, tobacco, etc. (il_x02)	Y	32,591	39,621	45,245	47,873	55,051	60,580	67,947	67,947	0.59	0.65	0.67	0.70
03 Clothing and footwear (il_x03)	Y	26,448	27,126	30,977	32,780	54,647	57,186	64,140	64,140	0.48	0.47	0.48	0.51
04 Housing, water and fuel (exc. imputed rent) (il_x04)	Y	80,668	93,839	106,494	112,386	53,573	60,412	67,804	67,804	1.51	1.55	1.57	1.66
05 Furnishings, household equipment, etc. (il_x05)	Y	17,055	22,355	25,722	27,307	64,953	66,575	74,671	74,671	0.26	0.34	0.34	0.37
06 Health (il_x06)	Y	21,395	23,700	26,986	28,281	60,052	63,306	71,004	71,004	0.36	0.37	0.38	0.40
07 Transport (il_x07)	Y	25,752	29,486	33,507	35,610	96,287	109,429	122,861	122,861	0.27	0.27	0.27	0.29
08 Communications (il_x08)	Y	22,518	26,640	30,395	32,118	29,164	29,841	33,470	33,470	0.77	0.89	0.91	0.96
09 Recreation and culture (il_x09)	Y	17,715	21,124	23,962	25,415	52,284	55,334	62,063	62,063	0.34	0.38	0.39	0.41
10 Education (il_x10)	Y	1,973	2,817	3,246	3,459	10,755	11,716	13,146	13,146	0.18	0.24	0.25	0.26
11 Hotels and restaurants (il_x11)	Y	6,516	6,514	7,359	7,786	31,092	32,803	36,792	36,792	0.21	0.20	0.20	0.21
12 Miscellaneous good and services (il_x12)	Y	16,915	20,263	23,109	24,493	36,435	38,726	43,349	43,349	0.46	0.52	0.53	0.57
ITT - Revenue from indirect taxes (non calibrated) (ils_extstat_itncl_il_itt_revnc)													
VAT Total Revenue (il_tva)	Y	52,620	61,663	70,905	74,927	94,867	106,103	119,072	NaN	0.55	0.58	0.60	NaN
Excises Total Revenue (il_tx)	Y	14,531	18,521	30,090	31,967	35,056	36,757	40,975	NaN	0.41	0.50	0.73	NaN
ITT - Total excises (non calibrated) (ils_extstat_itncl_il_itt_excnc)													
Revenues Excises 0211 - Spirits (il_tx0211)	Y	413	466	583	617	869	949	1,096	NaN	0.48	0.49	0.53	NaN
Revenues Excises 02121 - Still Wine (il_tx02121)	Y	0	0	0	0	8	8	10	NaN	0.00	0.00	0.00	NaN

	Simulated	EUROMOD				External				Ratio			
	(Y / N)	2022	2023	2024	2025	2022	2023	2024	2025	2022	2023	2024	2025
Revenues Excises 02122 - Sparkling Wine (il_tx02122)	Y	0	0	1	1	8	8	9	NaN	0.05	0.06	0.09	NaN
Revenues Excises 0213 - Beer (il_tx0213)	Y	186	247	256	268	667	707	708	NaN	0.28	0.35	0.36	NaN
Revenues Excises 022 - Tobacco (il_tx022)	Y	11,989	15,101	21,904	21,924	15,707	17,092	18,770	NaN	0.76	0.88	1.17	NaN
Revenues Excises 045 - Energy (electricity, natural gas, coal-coke) (il_tx045)	Y	712	1,055	1,334	1,481	162	289	299	NaN	4.39	3.65	4.45	NaN
Revenues Excises 0451 - Electricity (il_tx0451)	Y	102	210	271	298	151	155	162	NaN	0.67	1.35	1.68	NaN
Revenues Excises 04521 - Natural Gas (il_tx04521)	Y	190	390	488	540	8	131	133	NaN	24.24	2.99	3.66	NaN
Revenues Excises All Energy (il_tx045_072)	Y	1,941	2,706	7,346	9,158	17,796	17,992	20,383	NaN	0.11	0.15	0.36	NaN

Source: Own elaboration.

Table A3.10. Consumption taxes (calibrated) - Annual amounts (millions)

	Simulated	EUROMOD				External				Ratio			
	(Y / N)	2022	2023	2024	2025	2022	2023	2024	2025	2022	2023	2024	2025
Consumption-tax-related statistics calibrated (ils_extstat_itcal)													
ITT - Revenue from indirect taxes (calibrated) (il_itt_revc)													
VAT Total Revenue (il_tva_na)	Y	90,927	100,618	112,942	118,648	94,867	106,103	119,072	NaN	0.96	0.95	0.95	NaN
Excises Total Revenue (il_tx_na)	Y	26,333	30,986	57,049	62,775	35,056	36,757	40,975	NaN	0.75	0.84	1.39	NaN
ITT - Total excises (calibrated) (il_itt_excc)													
Revenues Excises 0211 - Spirits (il_tx0211_na)	Y	698	712	876	920	869	949	1,096	NaN	0.80	0.75	0.80	NaN
Revenues Excises 02121 - Still Wine (il_tx02121_na)	Y	0	0	0	0	8	8	10	NaN	0.00	0.00	0.00	NaN
Revenues Excises 02122 - Sparkling Wine (il_tx02122_na)	Y	1	1	1	1	8	8	9	NaN	0.08	0.09	0.13	NaN
Revenues Excises 0213 - Beer (il_tx0213_na)	Y	315	378	384	399	667	707	708	NaN	0.47	0.53	0.54	NaN
Revenues Excises 022 - Tobacco (il_tx022_na)	Y	20,252	23,089	32,894	32,691	15,707	17,092	18,770	NaN	1.29	1.35	1.75	NaN
Revenues Excises 045 - Energy (electricity, natural gas, coal-coke) (il_tx045_na)	Y	473	679	849	938	162	289	299	NaN	2.92	2.35	2.84	NaN
Revenues Excises 0451 - Electricity (il_tx0451_na)	Y	67	135	173	189	151	155	162	NaN	0.45	0.87	1.07	NaN
Revenues Excises 04521 - Natural Gas (il_tx04521_na)	Y	126	251	311	342	8	131	133	NaN	16.10	1.92	2.33	NaN
Revenues Excises All Energy (il_tx045_072_na)	Y	5,068	6,805	22,893	28,764	17,796	17,992	20,383	NaN	0.28	0.38	1.12	NaN

Source: Own elaboration.