

Market Snapshot: Employment

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In the context of the ever-changing labor market general framework, in 2018 Romania took decisive steps to align its legislation with the country's economic landscape.

In the process, the Romanian legislator adopted two laws: one regarding internship and one regarding telework.

Internship

The need to regulate internship and teleworking derived from the evolution of the labor market, namely the increasing use of interns and the provision of more flexible work environments to employees.

For the time being, internship does not represent a widespread practice among Romanian employers, probably because a lack of specific regulations before this year made employers uncertain about the legal contours of such arrangements. Consequently, we believe this

enactment is a significant step forward, first because interns have always represented an affordable labor force for employers, and second because internships are a valuable way for interns to gain the practical abilities and experience that employers seek when they choose to hire.

The new law provides a detailed framework for the internship program, the main rights and obligations of the parties, the valuation procedure for the interns' activities, and the content of the internship contract. When deciding to collaborate with interns, company representatives must bear in mind that the duration of an internship program cannot exceed 720 hours, spanning six months. In addition, intern activity cannot exceed 40 hours per week – 30 hours per week (6 hours per day) for those aged under 18 – and overtime, even if paid, is strictly prohibited.

The internship indemnity shall be equal to at least 50% of the minimum wage at the national level. The internship contract cannot be renewed, but it is possible to conclude an employment agreement with the former intern. In order to encourage companies to hire former interns, the law provides employers with a premium for doing so in the amount of RON 4,586 (approximately EUR 1,000) for each former intern employed for an uninterrupted period of 24 months.

Telework

Telework is a relatively new concept, developed as a result of the speed of technological advance, employers' efforts to keep employees committed, and the need of employees to maintain a healthy balance between their professional and personal lives. Thus, telework appeared as a form of organizing and/or performing work, using information technology, that could theoretically be performed at the employer's premises, but is performed away from those premises either on a regular basis, or, as per the new enactment, at least one day per month.

As a general rule, teleworkers have the same rights and obligations arising from the law, internal regulations, and their employment agreements as comparable workers carrying out their activities at company premises. However, the enactment provides specific clauses which shall be included in the relevant individual employment agreements, considering the specificity of telework.

The main concern in relation to implementing a telework system resides in security and health-related responsibilities. Thus, the employer will have to make sure that the employee receives sufficient and adequate training, depending on the place where the activity is carried out, where such place is out of the employer's control.

Telework has both pros and cons. For companies, the advantages consist in higher productivity, a significantly increased employee retention rate, reduced absenteeism, and significantly lower office-related costs. The disadvantages include the fact that supervision of and contact with the employee will not be as easy and immediate, which may in some cases lead to a lack of discipline and drive.

Although such working arrangements are not suitable/possible for all companies and (certainly) not for all job positions, for a considerable number of industry areas teleworking could potentially represent a means of achieving better economic results and having happier employees. For all these cases, the new Romanian legislation concerning teleworking is clearly a positive step forward.

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