

Tax alert

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List of contents:

Law no. 283/2022 for amending the Labor Code

ECOVIS Romania: payroll and human resource services

Dear Client,

On October 19, 2022, Law no. 283/2022 was published in Official Gazette 283/2022 for amending the Labor Code.

The new law comes with several amendments in the field of work relations, out of which we will mention the most important ones, applicable as of October 22, 2022, the date on which these new provisions become applicable.

1. Any employee **is entitled to work for different employers or for the same employer, under employment contracts**, without overlaying the work hours, and shall benefit from adequate salary for any of them. No employer can apply an unfavorable treatment to the employee who exercises this right.
2. As of October 22, 2022, **it is forbidden to establish a new trial period if, within 12 months**, the same parties conclude a new individual employment contract for the same position with the same attributions.
3. The employer may implement **individualized work hours for all employees**, including for those who benefit from caregiver leave, with their approval or upon their request, which may be limited in time.
4. The employee may request **a flexible manner of organizing his/her work hours**, namely providing to the employees the possibility to adapt their work hours, including by using remote-working formulas, flexible work hours, individualized work hours or reduced work hours.

Any refusal of the aforementioned request must be substantiated, in writing, by the employer, within 5 business days after the reception of the request.

5. The employee is entitled to request **working in a vacant position that ensures more favorable work conditions** if he/she has completed his/her trial period and has at least 6 months seniority with the same employer.
6. The employer must grant **caregiver leave** to the employee in order for him/her to care after or provide personal support to a relative or a person who lives in the same household as the employee and who needs care or support because of a severe medical problem, at least 5 business days in a calendar year, upon the written request of the employee. "Relative" refers to an employee's son, daughter, mother, father or spouse. A period longer than 5 days may be established for the caregiver leave, by special laws or by the applicable collective employment contract.

ECOVIS Romania: transfer pricing file

Severe medical problems, and the conditions for granting caregiver leave are established by the common order of the minister of labor and social solidarity and the minister of health.

7. The employee **is entitled to be absent from the workplace in unforeseen situations**, caused by a family emergency caused by a disease or an accident, which makes the employee's immediate presence indispensable, provided the employer is immediately informed, and by recovering the absence period, until the normal duration of the employee's work hours are fully covered. **An absence from the workplace cannot last for more than 10 business days in a calendar year.**

The employer and the employee agree on the method of recovering the absence period.

8. **Paternal leave** is granted to the father of the newborn baby.

Granting term: Paternal leave is granted upon request, **in the first 8 weeks** after the child is born, substantiated by his/her birth certificate.

Granted leave days: According to the current legal provisions, the father of a newborn baby who is an employee is entitled to paid paternal leave of 10 business days. If the father of the newborn child has obtained a childcare course graduation certificate, the duration of the paternal leave is increased by 5 business days for each newborn child, based on the childcare course graduation certificate, no matter when it is obtained.

Additional provisions:

The employer must grant paternal leave upon the employee's written request, without conditioning its granting on the employee's period of the performed activity or seniority.

Each employer is also obligated to inform its employees regarding their right to paternal leave (e.g., such a notification may be delivered by inserting this right into the Internal Regulations).

Important:

Employees cannot be fired during their paternal leave or caregiver leave or while they are absent from work.

Paternal leave, caregiver leave or absence from work for family emergencies will be deemed, as of October 22, as periods of performed work and will not reduce the number of annual leave days available for employees.

Not granting to caregiver leave or paternal leave or absence from work to employees who meet the necessary conditions are contraventions and may be punished with a **fine from RON 4,000 to RON 8,000**.

ECOVIS Romania: One Stop Shop

Accounting

- Financial Accounting;
- Preparation and submission of tax returns for Romanian and foreign legal and natural persons;
- Harmonization of national financial accounting with the accounting rules of the parent company;
- Draft and certification of annual financial statements;

Audit

- Financial audit in accordance with ISA;
- Re-treatment of financial statements prepared in accordance with national regulations, for International Financial Reporting Standards (IAS / IFRS) or Client-Specific Standards (GAAP);
- Financial audit imposed by the group's policy;
- Internal audit;
- Audit tasks such as: agreed procedures (ISA 4,400), reviews (ISA 2,400), *due diligence*;

Payroll and Human Resources

- Payroll services;
- Management, audit and registration of personnel files according to the legal requirements and regulations of the company;
 - Preparation of job descriptions and Internal Regulations specific to the Client's activity;
- Interface with banking applications and execution of payroll transactions;
- Staff evaluation and selection for accounting services/accounting department;

Consultancy

- Tax consultancy
- Assistance in preparing the transfer pricing file;
- Consultancy in mergers and acquisitions, company restructuring;
- Assistance in implementing IT solutions regarding: the financial and management accounting, employee records, payroll, managerial reports, etc .;
- Tax registration of various entities and registration as VAT payer;
- Notifications regarding the significant changes in legislation.

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