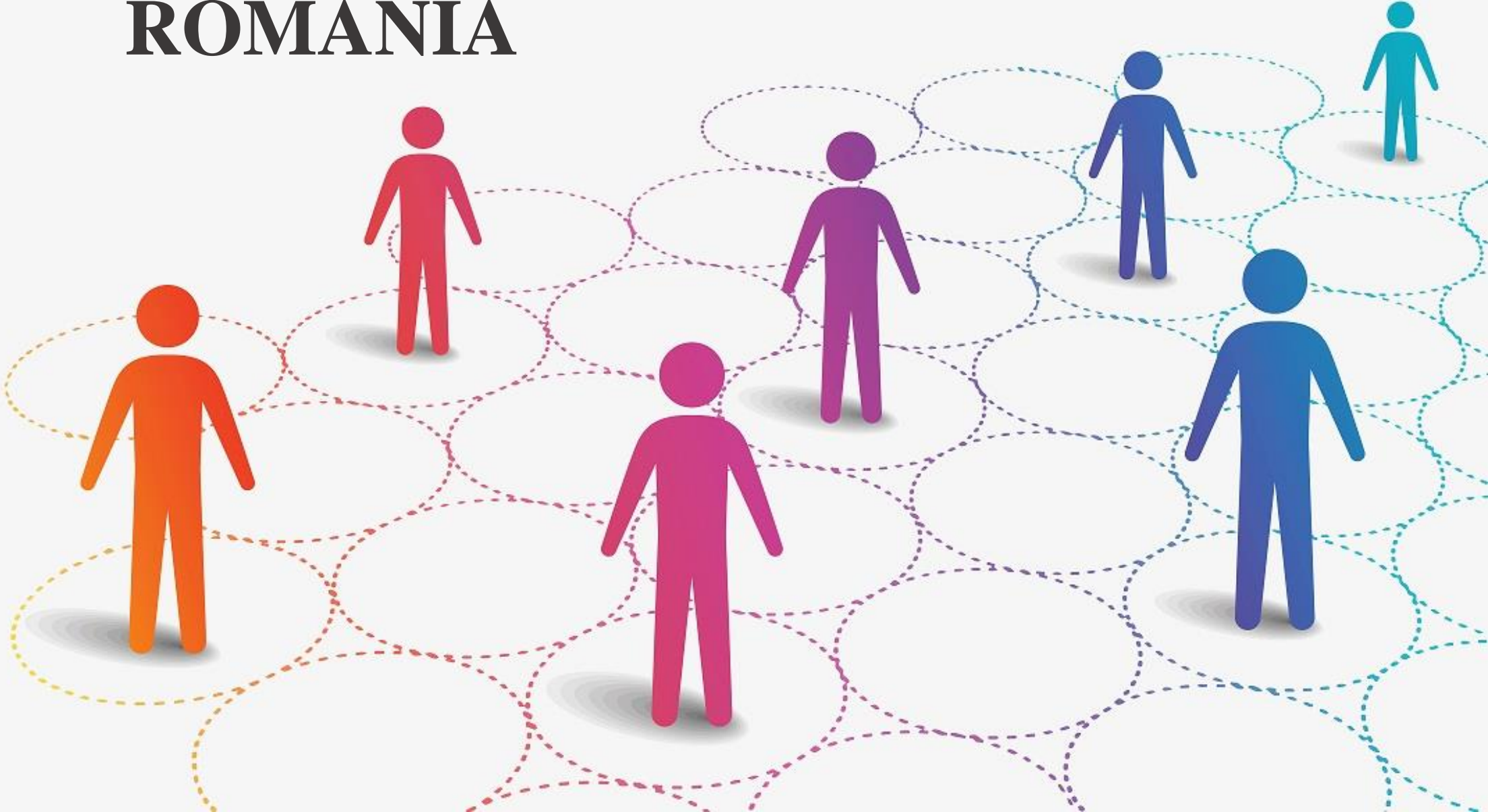


COLLECTIVE REDUNDANCIES ROMANIA





GENERAL ASPECTS

GENERAL ASPECTS

1. Which are the triggers as well as the reasons for collective redundancies?

The collective redundancy is triggered by the cancellation of the positions occupied by the employees, for one or more reasons that are not related to their persons.

2. Is there a procedure that must be followed in the case of collective redundancies?

Yes. The procedure is divided into **four stages** that must be taken into account by the employer in view of implementing collective redundancies.

3. Are consultation procedures with the trade union/ employee representatives mandatory in the case of collective redundancies?

Yes. All trade unions will be consulted, not just the representative trade union, as well as the employee representatives, as the case may be.

4. What happens if there are no trade unions established at employer level and the employees have not elected any representatives?

The employer can invite the employees to elect representatives to participate in the consultations.

5. Can employers with maximum 20 employees impose collective redundancy measures in what concerns their employees or a part of their employees?

No, such employers can only implement individual redundancies.

GENERAL ASPECTS

6. Which are the conditions for qualifying a dismissal of employees as a collective redundancy?

Collective redundancy is characterized by a dismissal for reasons not related to the employees' persons, within 30 calendar days, of a number of:



at least 10 employees, if the employer has more than 20 employees, but less than 100 employees;



at least 10% of the employees, if the employer has at least 100 employees, but less than 300 employees;



at least 30 employees, if the employer has at least 300 employees.

7. Are the employees with individual employment agreements terminated for other reasons also taken into account for establishing the effective number of employees who are collectively made redundant?

Yes, the employees with individual employment agreements terminated on the employer's initiative for one or more reasons not related to their persons (e.g., termination by mutual agreement within a voluntary departure program) are taken into account, provided that there are at least five redundancies.





THE COLLECTIVE REDUNDANCY PROCEDURE



What happens during the first stage?

The employer initiates consultation procedures with the trade union/ employee representatives as regards:



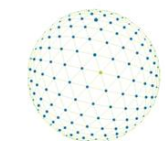
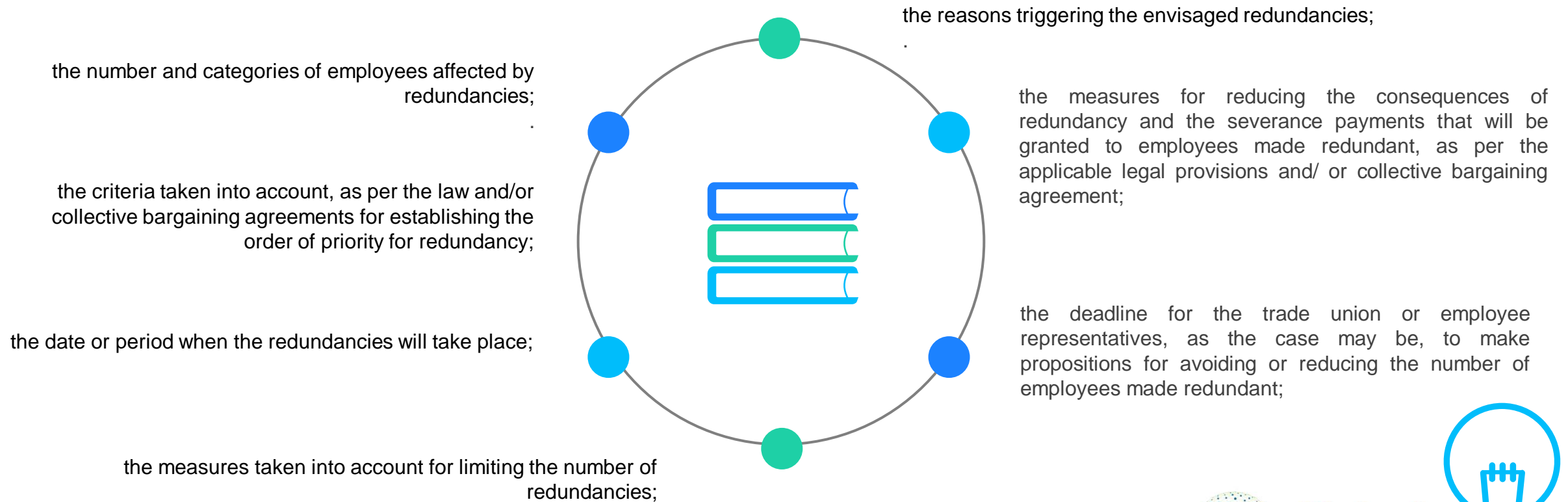
The methods and means to avoid collective redundancies or to reduce the number of employees subject to redundancy; and



The decrease of the consequences of redundancies by implementing social measures targeting, inter alia, support for professional requalification or reconversion of employees.

What happens during the first stage?

During the consultations, the employer submits in writing a notification to the trade union/ employee representatives comprising relevant information regarding:



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What happens during the first stage?

On the same date when the employer communicates the notification to the trade union/ employee representatives, it shall send a copy also to the Territorial Labor Inspectorate (i.e., in Romanian, Inspectoratul Teritorial de Muncă) and to the Territorial Workforce Agency (i.e., in Romanian, Agenția Teritorială de Ocupare a Forței de Muncă).





What happens during the second stage?

Within maximum 10 calendar days as of receiving the notification submitted by the employer, the trade union/ employee representatives may propose measures to the employer in view of avoiding redundancies or reducing the number of employees to be made redundant:



If the trade union/ employee representatives submits/ submit propositions, the employer is obliged to provide a reasoned answer in writing to the trade union's/ employee representatives' propositions within maximum 5 calendar days as of receipt, afterwards commencing the third stage;



If the trade union/ employee representatives does/ do not send propositions, the third stage will commence.

What happens during the third stage?

At least 30 days before the redundancy decisions are issued, the employer notifies the Territorial Labor Inspectorate and the Territorial Workforce Agency with respect to the collective redundancy decision. The notification must contain:

All relevant information as regards the intention of implementing the collective redundancy;

01



02

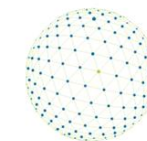
The results of the consultation procedures with the trade union/ employee representatives;

04

The number of employees affected by the redundancies.

The total number of employees;

03



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What happens during the third stage?

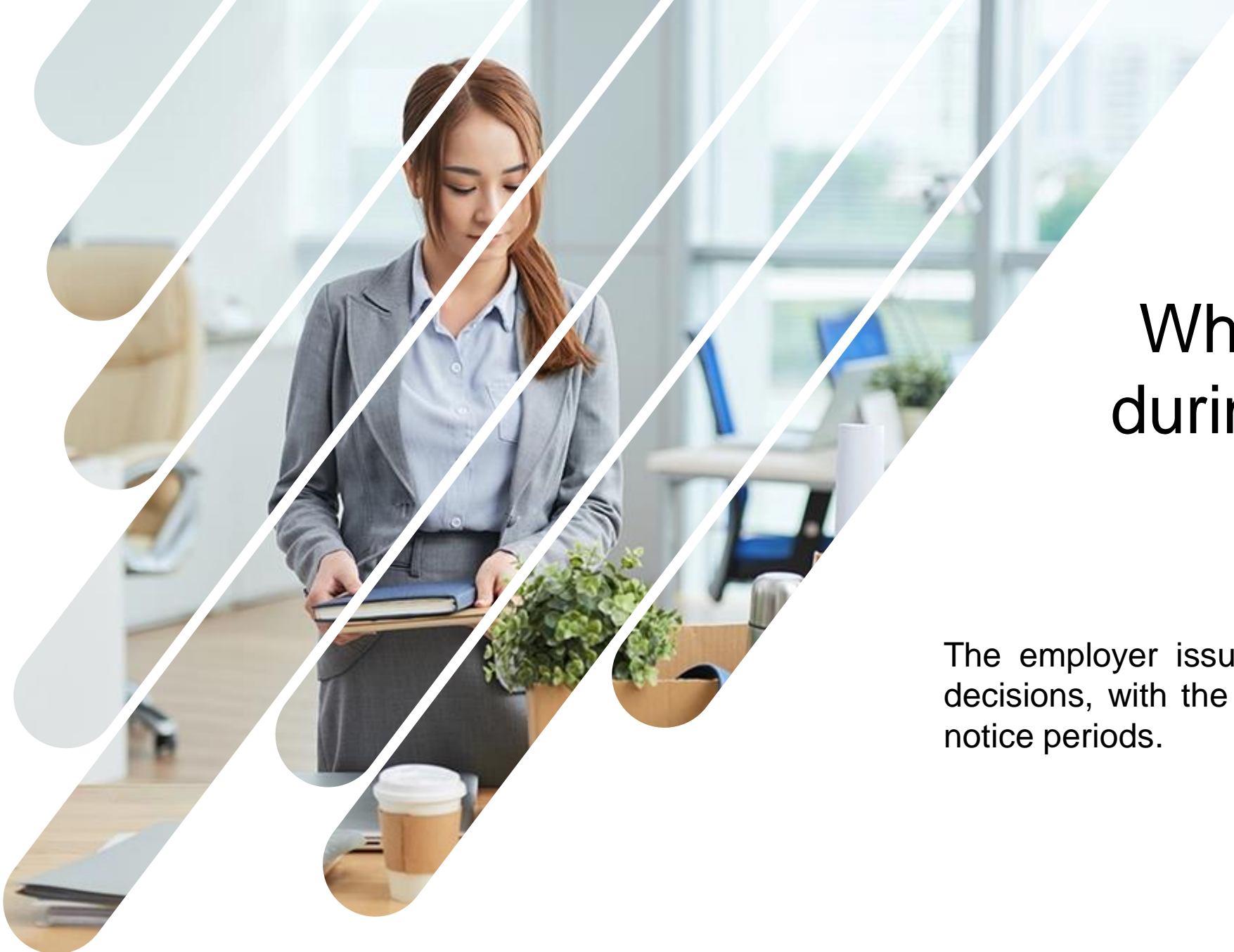
Upon the justified request of either of the parties, the Territorial Labor Inspectorate may postpone the date of issuing the redundancy decisions with maximum 10 calendar days.

On the same date when the employer communicates the notification to the Territorial Labor Inspectorate and to the Territorial Workforce Agency, it will also submit a copy thereof to the trade union/employee representatives.



What happens during the fourth stage?

The employer issues individual redundancy decisions, with the observance of applicable notice periods.





PRESENCE AT WORK DURING THE NOTICE PERIOD

Can the employer force the employees not to come to work?

No, but the employer may grant this possibility to the employees.



RE-ESTABLISHMENT OF CANCELLED POSITIONS





RE-ESTABLISHMENT OF CANCELLED POSITIONS

- ✓ Can the employer re-establish the cancelled positions?

YES.

- ✓ Is there any obligation to re-employ employees made redundant in case of re-establishment of formerly cancelled positions?

Yes, if the positions are re-created within **45 calendar days** as of the date of redundancy. In such situations, the employees must be re-employed without examination, selection or probationary period.

SEVERANCE PAYMENTS



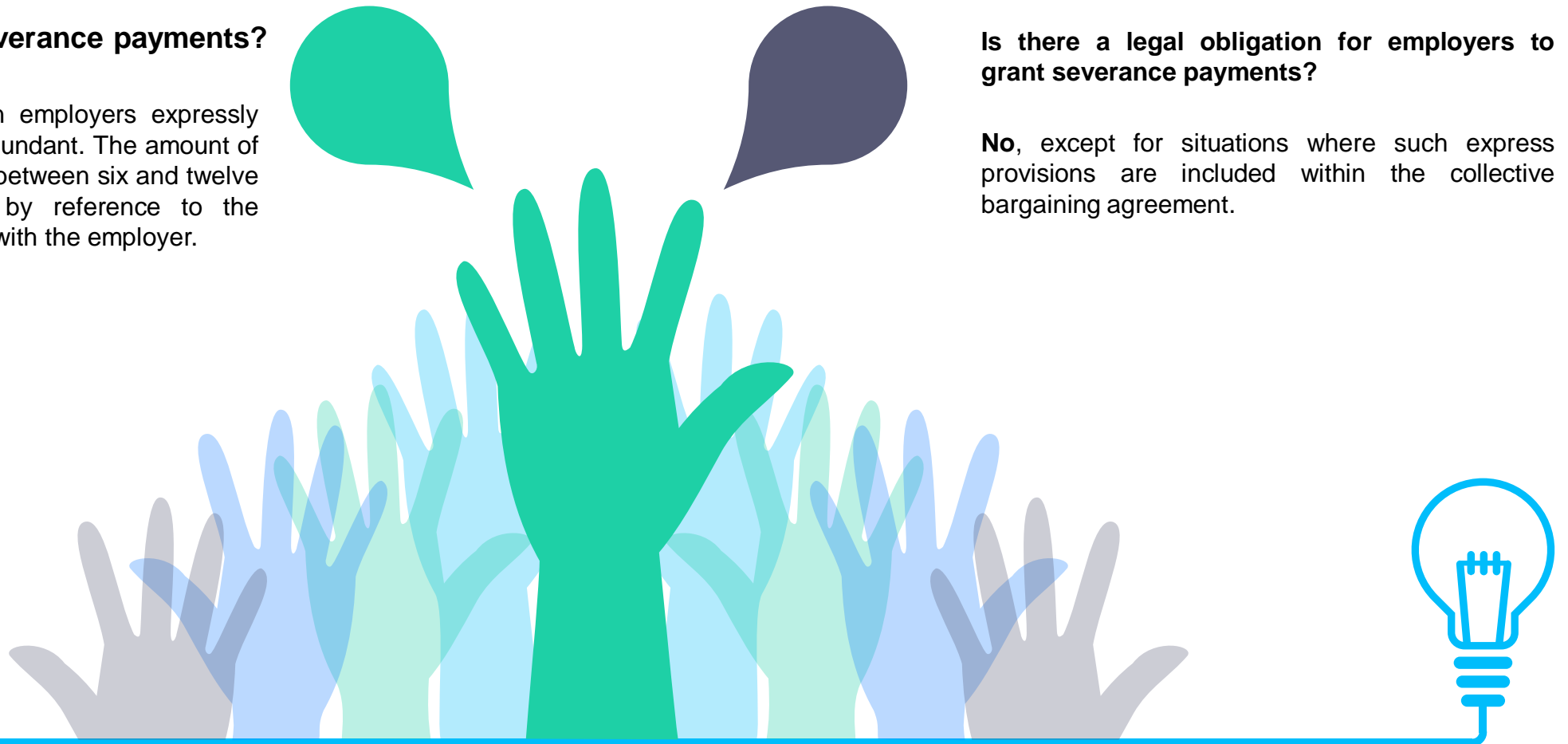
Severance payments

Does the state grant severance payments?

Yes, if employees of certain employers expressly provided by law are made redundant. The amount of such severance payments is between six and twelve average wages per unity, by reference to the employee's length-of-service with the employer.

Is there a legal obligation for employers to grant severance payments?

No, except for situations where such express provisions are included within the collective bargaining agreement.





RISKS RELATED TO NON-OBSERVANCE OF COLLECTIVE REDUNDANCY PROCEDURES

Can the employer be subject to administrative sanctions if not observing the collective redundancy procedure?

Yes, with a fine of up to **RON 50,000**, if not strictly observing the obligation of consultation.

Are there any other risks in case the collective redundancy procedure is not observed?

Yes, there is a risk for employees successfully challenging this measure in court. In such situations, the court would annul the redundancy decisions and oblige the employer to pay the employees damages equal to the indexed, increased and updated salaries and other rights the employees would have benefitted from as of redundancy date and until the date of the court ruling. Moreover, the court could reinstate the employees, upon their request.



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