

New rules in the field of internship

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The Parliament has recently adopted a law on internship and has passed it to the president to be signed. It is due to come into force on August 18, 2018. Everybody who has reached the age of 16 can take part in paid internship programs of maximum six months with companies or public institutions. The duration of the internship will be acknowledged as time of service.

Conditions for internship providers

Legal entities or public institutions are allowed to organize internship programs as hosts if:

- they have at least five employees
- they have had no professional relationship in the past with the proposed trainee
- they are not insolvent and have not reduced the number of employees in the previous 12 months (as a result of collective redundancies or restructuring)
- they have no obligation to hire graduates of educational institutions
and their shareholders/managers do not perform the same function with other employers/hosts, with whom the future practice trainee fulfilled an employment, service or internship contract.

The number of internship contracts per host and per year may not exceed 5% of the total number of employees. In any 12-month period, each trainee can only fulfill one contract with a host, lasting no more than six months.

Remuneration and working hours

The practice trainee has the right to a monthly internship remuneration stipulated in the contract, which must be at least 50% of the gross minimum salary (currently 1,900 RON). The maximum working time is 40 hours per week; overtime is forbidden. The host must keep evidence of the working hours performed by the practice trainees.

From a fiscal point of view, the internship remuneration must be regarded as taxable income.

The rights and the responsibilities of trainee and host

The internship is based on the internship contract, while observing the internal rules of the host. During the contract period, the trainee undertakes to carry out the activities stated in the contract under the authority of the host and directly coordinated by a supervisor appointed by them. The trainee may not be employed for unqualified work, and may not work under difficult or harmful conditions.

The internship contract must be registered in a special register of the host and with the Labour Inspectorate, at least one day before the trainee starts work.

After the internship ends, based upon a regulated assessment procedure, the trainee receives an internship certificate that certifies the host's data, the duration of the internship, the type of work performed and the assessment diploma.

The practice trainee must be instructed by the host, just like any other employee, about any workplace risks; employment regulations on safety at the workplace will apply. If the trainee breaks internal regulations or the internship contract, the host can sanction him.

The law provides for a series of fines, e.g. if the host fails to meet its obligations to pay the trainee, or to register the internship contracts with the relevant register; if it uses trainees for activities other than stipulated in the contract; or in case the working hours are not respected.

Incentives

To support the government's desired measure to change internship contracts into employment contracts, a financial incentive for legal entities has been introduced. For each and every internship contract turned into an employment contract the employer receives 4,586 RON – on condition that the employment relationship is concluded within six months and is maintained for at least 24 months. The company can request the payment within six months after the expiry of the 24 month-period by submitting a properly documented request.

Conclusion

The purpose of internship programs is not the guarantee of a workplace for practice trainees, but to enhance their education and give them experience. The initiative aims to generate new opportunities to find and employ the young labor force – but it gives rise to a lot of bureaucracy. Time will tell as to what extent the use of internships will help or hinder.

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