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Publisher:<!--BEGIN-OF-PUBLISHER-->Legalease Publications<!--END-OF-PUBLISHER--><!--END-OF-FILE-LIST--></div><p> </p><p>The reform of the Romanian pensions system is regarded as a large-scale process whereby important public and private resources are mobilised. Although some of the legal framework for the reform has been in place for several years, the private pensions system has actually become operational following some adjustments in 2007. </p> <p>Until 2007, the Romanian pensions system was a state monopoly, each employee being compelled to contribute part of their income to the National House of Pensions and Other Social Insurance Rights (CNPAS). However, some said that the public pensions system managed by CNPAS was an inefficient one, due to the small number of contributors compared to the high number of beneficiaries, and the lack of a viable strategy for properly investing the collected funds. That is why it was decided to refresh the local pensions system, by stipulating that a percentage of the value of the mandatory contributions initially targeted to the state system should be transferred into private pension funds. </p> <p>Following the reform, Romania now has a three-tier pensions system:
 </p> Pillar I: The public pensions system managed by CNPAS, which continues to operate in parallel with the private pension funds. All employees are compelled to contribute to Pillar I. Pillar II: The mandatory private pension funds, where employees up to 35 years old must contribute, while employees aged 35 to 45 can subscribe without being compelled to. Pillar III: The optional private pension funds. These are accessible to all persons that are not eligible for Pillars I and II (eg, not necessarily employees) and also to those that are eligible for the first two pillars.   <p>To read the entire article, please download the .pdf attached. </p>