BULGARIAN LABOUR AND SOCIAL SECURITY LAW*

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Bulgarian Labour Law

VI.1.1. Legal Framework

The Bulgarian labour legislation is characterized by codified and detailed provisions established in the Constitution of the Republic of Bulgaria, the Labour Code and numerous sub-legislative legal acts, regulations and rules.

The Labour Code is the basic source of labour legislation. It determines the main institutes of the labour law, such as:

- territorial scope of the Bulgarian labour law;
- scope of the persons who it is applied to;
- tripartite partnership;
- collective labour contract;
- employees' and employers' organizations;
- basic labour rights and obligations;
- types and content of labour contracts;
- general contents and amendment of the employment relationship;
- preservation of employment relationships in case of change of employer;
- working hours, rests and leaves, place of work, labour remuneration;
- termination of employment relationships and explicitly listed grounds therefor;
- compensations related to employment relationships;
- general rules for safe and healthy working conditions;
- special protection of certain categories of employees;
- labour disputes, control for protection of the labour law and administrative liability for its breach, etc.

The acts containing provisions for employment relationships may be divided into two basic groups:

- general acts which provide for further development of the institutes of the Labour Code and
- special acts regulating employment relationships of special types of employees.

There are numerous acts in both groups which makes their exhaustive enumeration impossible for the format of the current overview.

The provisions concerning labour law contained in the various laws are specified by the detailed and various sub-legislative normative acts.

Along with the national legislation, the Republic of Bulgaria has ratified a number of Conventions in the field of employment relationships which are integral part of the Bulgarian legislation and supersede any national law in case of controversy.

Integral part of the Bulgarian legislation (subject to certain specific procedures where applicable) are also all labour related legal acts of the European Union. In case of controversy between any internal law and the EU law, Bulgarian courts are obliged to apply directly the provisions of the latter.

VI.1.2. Basic Legal Definitions

The labour legislation provides for legal definitions of the basic labour terms, such as, inter alia:

Employer - is any natural person, legal entity or its division, as well as any other organizational and economically separate formation (enterprise, establishment, organization, cooperation, institution, household, company, etc.) which independently employs people in an employment relationship, including for provision of work at home or at a place outside the enterprise and for the purpose of transfer to a receiving enterprise;

Enterprise – is any place - enterprise, establishment, organization, cooperation, establishment, site, etc. – where wage labour is carried out;

Place of Work – is any premises, workshop, room, location of machinery, equipment or any other similar territorially defined place within the enterprise where the employee, on assignment from the employer, works in performance of his duties under an employment relationship, as well the place of work as determined by the receiving enterprise to which the employee directly preforms his/her work. In case the employee performs work at home or at a place outside the enterprise the place of work is the home of the employee or that other place chosen by the employee outside the enterprise;

VI.1.3. General Review of the Labour Law

The Bulgarian labour law is based on principles generally applicable to the European Union labour law such as: freedom and protection of labour, social dialogue between the state and employees' and employers' organizations regarding the regulation of employment relationships, a ban on discrimination, equal pay between men and women, guaranteed labour remuneration, fixed working hours, limitation on overtime work, guaranteed rests and leaves, preservation of the labour relation in case of change of the employer, collective arrangements and freedom of association of employers and employees, etc.

According to the Labour Code, the Bulgarian labour legislation is applicable to all labour relationships between Bulgarian citizens, citizens of the European Union, citizens of the states which are parties to the Agreement of the European Economic Area or of the Confederation of Switzerland, and employers in the Republic of Bulgaria, as well as Bulgarian employers abroad, insofar as not provided otherwise in a law or a treaty to which the Republic of Bulgaria is a party. The employment relationships of Bulgarian citizens sent to work abroad in foreign enterprises or joint ventures, as well as of foreign nationals working on the territory of the Republic of Bulgaria shall also be regulated by the Labour Code, insofar as not provided otherwise in a law or a treaty to which the Republic of Bulgaria is a party.

Tripartite partnership and collective labour agreements

Tripartite partnership and collective labour agreements, being achievements of the contemporary labour law, ensure the protection of the employees' and workers' rights and the consideration of the interests of all agents, involved in the production process – employees, business, state.

The State can legislate in the field of labour relations, social insurance and the living standard issues only after consulting the employers' and employees' organisations. Despite the obligatory nature of the tripartite partnership, the statements of its bodies have only advisory functions and are not binding on the competent state authority. The bodies of the tripartite partnership are established at national, district, branch, industry sector and municipality level.

Collective labour bargaining also exists at levels: enterprise, branch, industry field and municipality. The collective labour bargaining regulates issues of the labour and social security relations of employees, which are not regulated by mandatory legal provisions. A collective labour agreement shall not contain clauses which are more unfavourable to the employees than the legal provisions or pro-

visions of a higher grade of Collective Labour Agreement (CLA), which is binding upon the employer.

A CLA shall be registered, depending on their level, in a special register of the local or Central Labour Inspectorate. The term of validity of the CLA-s can not exceed 2 years. CLA-s are applicable only to the employees that are members of syndicalist organization - party to the contract. Where the employees are not members of such an organization, they may choose to be bound by the CLA, concluded by their employer, upon written declaration to the employer or to the syndicalist organization – party to the contract.

Formation of the labour relationship

The labour relationship can be established through:

- individual labour contract,
- election or
- competitive examination.

The procedure of elections is applicable only to offices, specified by law, an act of the Council of Ministers or by-laws. A competitive examination may be held for any position with the exception of a position which shall be filled on the basis of election. However, the labour contract is the most widespread grounds for formation of a labour relationship.

Individual labour contract

The individual labour contract is concluded in writing between the employee and the employer before the commencement of the job. Individual labour contracts are subject to registration within three days as of their signing with the respective division of the National Revenue Agency.

Upon conclusion of the labour contract the employer shall introduce to the employee the labour obligations ensuing from the position or the nature of the work. The employer has to provide the employees with a copy of the description of their activities and responsibilities before the conclusion of the contract. The obligatory contents of the individual labour contract must include:

- the workplace, position and nature of work,
- duration of the labour contract,
- date of conclusion of the contract and commencement of performance,
- amount of basic and extended annual paid leave and additional annual paid leaves,
- term of advance notices for termination of the labour contract, which should be the same for both parties,

- basic and additional labour remunerations of constant nature as well as the periodic terms for their payment and
- the duration of the working day or week.

In case of specific place of work (e.g. place of work at home, other place outside the enterprise or at other enterprise which uses the services/works of the employee) a specific compulsory content of the labour contract in connection with the specific place of work is provided for in the Labour Code.

The employment contract may be concluded:

• for an indefinite period; or
• for a fixed term.

In order to protect the employee/worker, the legislator limits the possibilities for conclusion of fixed term employment contracts by listing them explicitly. For example, fixed term contracts can be concluded:

- for a definite period, which shall not be longer than 3 years, insofar as a law or an act of the Council of Ministers does not provide otherwise;
- until completion of some specified work;
- for substitution of an employee who is absent from work;
- for work at a position which is to be occupied through a competitive examination until its occupation;
- for a certain mandate, where such has been specified by the respective body or an employment contract for a trial period.

The Labour Code includes special provisions regarding the fixed term contract concerning the diplomatic service.

A fixed-term employment contract shall be concluded for execution of casual, seasonal or short-term work and activities, as well as for hiring workers or employees in enterprises that have been adjudicated bankrupt or put into liquidation. As an exception, a fixed-term employment contract may be concluded for a period of not less than one year and for work and activities that are not of a casual, seasonal or short-term nature. Such an employment contract may also be concluded for a shorter period upon request in writing by the worker or employee.

Any employment contract, concluded in violation of these principles shall be considered as a contact of an indefinite duration.

Place of work in case of provision of work at home and at other place outside the enterprise

Generally, the place of work of the employee is within the enterprise (see statute definition of place of work above). The Labour Code provides for special stipulations regarding the provision of work at home and at other place outside the enterprise. Such other place of work outside of the enterprise as well all special working conditions in connection with the special place of work are to be determined in the labour contract, whereby the imperative provisions of the Labour Code are to be adhered to.

Working hours

The normal duration of the working day, according to Labour Code, is eight hours. The working week consists of five days, with normal duration of 40 hours. Along with the normal working hours, the Labour Code defines extended and shortened working time, flex time, shift work, night work, etc. Special conditions are provided for regarding the work at home or at a place outside the enterprise.

The length of the working time is codified by law and it can be extended or shortened only upon reasons stipulated by law and under a specific procedure. The working time can be extended by written order of the employer only for industrial reasons upon preliminary consultations with the representatives of the trade union organizations and the representatives of the workers and employees. However, the additional working time shall be compensated for respective reduction in the working time in future. The duration of the working day in this case cannot exceed 10 hours and these working conditions cannot be imposed for a period longer than 60 working days.

The Labour Code provides for an opportunity for the Employers to reduce the number of working hours for the full-time Employees in case of reduction of the volume of work in the enterprise. This measure could be realized only upon prior coordination with the representatives of the syndicates and with the representatives of the employees and for the maximal period of 3 months in a calendar year.

The work performed between 10.00 p.m. and 6.00 a.m., and for underage workers and employees - from 8 p.m. to 6 a.m., is considered **night work**. The duration of the night working hours is 7 hours, with 35 hours night working week. The night work cannot be performed by underage workers; pregnant female employees; workers/employees at advanced stage of treatment in vitro; mothers of children up to 6 years of age, as well as mothers raising disabled children regardless of their age, except with their own consent.

The work done out of the agreed working time is considered **overtime**. A general prohibition is put on the overtime work and it can be permitted as an exception only in explicitly listed by law cases: for prevention, control and overcoming of the consequences of disasters; for the performance of work of urgent public necessity; for the completion of work that cannot be completed in the regular working hours, etc.

Rests

There should be one or several rests during the day. The lunch break should not last less than 30 minutes. Special conditions are provided for regarding the work at home or at a place outside the enterprise.

Leaves

The leaves codified in the Labour Code can be divided on the grounds of their aim into, *inter alia*: paid annual leave and unpaid leave, leave for studies, leave in case of temporary disability, maternity leave, etc.

Each worker or employee is entitled to a **paid annual leave**. In case of beginning work for the first time, the worker or employee may use his/her paid annual leave after eight months' employment. The amount of the basic paid annual leave is not less than 20 working days. Certain categories of workers or employees, depending on the special nature of work, are entitled to an extended paid annual leave. The categories of such workers or employees and the minimal amount of the leave are determined by the Council of Ministers. However, annual leave can be extended by a collective labour agreement or agreement between the employer and the employee. The Labour Code contains special provisions on the procedure for usage of the annual leave by the employees. In case the annual paid leave has not been used within two years as of the end of the year to which the annual paid leave applies the right to use it becomes time-barred.

Upon request of the employee the employer may permit **unpaid leave** – in case it is up to 30 days per one calendar year the unpaid leave is recognized as period of service. The use of this type of leave does not depend on a stipulated by law reasons, but rather on the employer's permission. The Labour Code provides for specific types of unpaid leaves.

Currently the Bulgarian labour law provides for 410-day **maternity leave**, 45 days of which are used before the childbirth. In addition, the father has the right to use the rest of the maternity leave once the child is 6 months old, subject to

the mother's consent. Moreover, the father of a new-born child is entitled to use 15 days leave upon the birth of a child.

The labour law imposes a prohibition on cash compensation for annual paid leave, except for the cases of termination of the labour relationship.

Labour remuneration

The Bulgarian labour legislation stipulates that the work performed in labour relationship shall be compensated. The amount of the labour remuneration is generally agreed on by the employer and the employee but it cannot be lower than the minimum wage of the country. The amount of the latter is defined every year by a decree of the Council of Ministers. The Labour Code contains special provisions concerning the labour remuneration of the employees in the state administration.

Where the employees perform their labour obligations in a rightful manner, the payment of 60 per cent of their remuneration, but not less than the minimum wage of the state, is guaranteed. For the rest of the remuneration the employer owes interest, which is levied until the date of the full payment.

Preserving employment relationships in case of change of the employer

Similarly to the legislation of the European Union, the Bulgarian labour legislation envisages retention of the employment relationship in case of change of employer. The labour relationship shall not be terminated in the event of a change of employer as a result of:

- merger of enterprises;
- merger by acquisition of one enterprise by another;
- distribution of the operations of one enterprise among two or more enterprises;
- passing of a self-contained part of one enterprise to another;
- change of the legal form of business organization;
- change of the ownership or of a self-contained part thereof;
- cession or transfer of activity from one enterprise to another, including transfer of tangible assets.

In these cases, the rights and obligations arising from labour relationships, which exist on the date of the change, shall be transferred to the new employer. The employment relationship is not terminated also in the event of change of employer as a result of renting, leasing or granting under concession of the enterprise or of an autonomous part thereof. In these cases, the rights and obligations of the previous employer arising from employment relationships existing on the

date of the change shall be transferred to the new employer. Upon expiry of the contract for rental, lease or concession, the employment relationships of the workers or employees shall not be terminated but shall revert to the previous employer thereof. The previous and the new employer shall be jointly liable for all obligations towards the workers or employees.

Lease of employees

The Labour Code contains special provisions regarding the so called "temporary lease of employees". The lease of employees is a legal construction by which the formal employer transfers the employee for a certain period of time to the receiving enterprise whereby the employee provides his/her work directly to the receiving enterprise. The relationship between the transferring employer and the receiving enterprise is to be regulated by a special agreement. The Labour Code contains imperative provisions on the rights and obligations of the involved parties, on the content of the labour contract and the agreement between the transferring employer and the receiving enterprise, etc.

Prior to transferring employees to receiving enterprises the transferring employer is obliged to register with the Employment Agency.

Termination of the employment relationship

Similarly to the conclusion of labour contracts, their termination is done only in writing. The termination procedures and grounds for termination of labour contracts are specified in detail in the Labour Code. The types of termination of labour contracts may be divided in several basic groups:

• Procedures where termination requires consent of the other party or procedures where termination involves the will and actions only of the party entitled to initiate termination – termination by mutual consent or unilateral termination of the contract. The unilateral termination of the labour contract supposes either breach of contract from the other party or impossibility to fulfil their contractual obligations;
• Termination procedures via advance notice or termination procedures where no advance notice is required. The terms of the advance notice are specified in the Labour Code: 1 month for non-fixed term contracts unless anything else is specified in the contract, but in any event not more than 3 months, and 3 months for fixed term contracts, but not more than the remainder to the expiry of the contract;
• Termination procedures upon a motion of the employer and termination procedures upon a motion of the employee. However, while the employee may terminate the labour contract without stating any grounds (except by termination

without prior notice), the employer cannot use such a procedure - the termination grounds are specified in the Labour Code. Within seven days after the termination of the employment contract, the employer or a person authorized thereby is obligated to send a notification of this to the relevant territorial directorate of the National Revenue Agency.

The Labour Code provides for a special termination of the labour contract whereby the employer can propose, at his initiative, to the worker or employee termination of the employment contract against indemnification. If the worker or employee gives no answer in writing within 7 days the proposal shall be considered rejected. If the worker or employee accepts the proposal for termination against indemnification the employer shall owe him/her an indemnification amounting to not less than the quadruple size of the last received monthly gross remuneration, except if the parties have agreed upon a larger size of the indemnification. If such indemnification is not paid within one month from the date of termination of the labour contract, the grounds for its termination shall be considered dropped.

The Bulgarian law provides for special preliminary protection, which some categories of employees and workers are entitled to. They may be dismissed only upon preliminary permission by the Labour Inspectorate for each separate case of dismissal. The Bulgarian Labour Code enumerates categories of employees and workers entitled to preliminary protection: mothers of children younger than 3 years of age; employees who have been reassigned due to reasons of health; employees who have commenced a period of permitted leave; workers/employees, who are in advanced stage of treatment in vitro.

The labour law provides for special stipulations for the protection of female workers/employees at advanced stage of treatment in vitro, for pregnant women and nursing women. Furthermore, there are several more provisions regulating special issues referring the women at an advanced stage of treatment in vitro, such as women's rooms, job reassignment, business trips, etc.

Protection against wrongful dismissal

As stated above, under the Bulgarian law a labour contract can be terminated by the employer only on listed by law grounds. However, where the termination of the employment relationship does not comply with the legal requirements, the employee/ worker can still protect their interests either through challenging the rightfulness of the dismissal before the employer, or before court. The employer is not obliged to consider the complaint. However, he can voluntarily withdraw the dismissal until a lawsuit is filed.

The Labour Code provides for four claims, whereas some of them can be filed together:

- Claim for recognition of dismissal as wrongful and its repeal;
- Claim for reinstatement of the employee to her/his previous position;
- Claim for compensation for the period of unemployment due to dismissal;
- Claim for revision of the grounds for dismissal, entered in her/his service record or other documents.

There are no special Bulgarian courts for consideration of labour disputes as in other European countries, but the Civil Procedure Code implements a special claim procedure – the summary procedure, for cases concerning the rights of the workers or employees. Employees are released from paying court costs. The summary procedure provides for much shorter terms for the court actions in comparison with the general claim procedure.

Compensations related to the labour relationship

The Labour Code provides for certain compensations, as briefly scheduled below:
• Compensation for failure to observe the termination notice - equal to the amount of the employee's gross labour remuneration for the remainder of the notice period;
• Compensation for terminating the employment relationship without notice - to the extent of the gross pay for the notice period in case of a labour contract for an indefinite period; and to the amount of the real damages (on the basis of the gross pay for the period during which the employee was unemployed but not more than the remainder of the employment relationship) in case of a labour contract for a fixed term;
• Compensation for dismissal on other grounds:
- Upon dismissal due to closing down the enterprise or part of it, staff reduction, reduction in the volume of work and work stoppage of more than 15 working days: 1 month’s pay (unless otherwise stipulated);
- Upon termination of the employment relationship due to an illness: 2 months’ pay (provided service of at least 5 years and during the last 5 years of service not received any compensation on the same grounds);
- Upon termination of the employment relationship after employee has acquired the right to a pension for insured service and age, irrespective of the grounds for the termination: 2 months’ pay; by service with the same employer for ten years: 6 months’ pay;
- Compensation for unused paid annual leave upon termination of the labour relationship.

VI.1.4. Incentives

Incentives in the sphere of labour law are aimed mainly at decreasing unemployment and enhancement of employment. Those are established in the Encouragement of Employment Act and the Rules on its application. The incentives are payment of funds from the Employment Agency to employers who open new job positions, preserve opened job positions in case of decrease of the working volume, hiring unemployed persons over the age of 50 years, engaging unemployed persons of decreased working ability, hiring unemployed women mothers or single parents, employing permanently unemployed persons, etc. An employer wishing to apply for financial aid under an employment program should be registered pursuant to the existing legislation. Depending on the particular program, other requirements may also be specified.

Further, the Bulgarian Corporate Income Tax Act stipulates some incentives and stimuli, such as:
• incentives for hiring unemployed persons which find expression in reduction of the accounting financial result with the installments made by the employer in Personal Income Tax Fund and National Health Insurance Fund for a period of 12 months;
• the corporate tax totalling 100 per cent is assigned under specific conditions specified in the Corporate Income Tax Act.

VI.2. Bulgarian Social Security Law

VI.2.1. Legal Framework

The right to social security and social support is determined in the Constitution of the Republic of Bulgaria. Similarly to the labour legislation, the social security law is codified. The main institutes in the field are laid down in the Social Security Code. The procedural provisions are settled in the Bulgarian Tax and Social Security Procedure Code.

Other acts of general importance in the sphere are the Budget of the State Social Security Acts, which are adopted annually and various sub-legislative acts.

The Republic of Bulgaria is a party to a number of international agreements in the sphere of social security such as various contracts for social security between the Republic of Bulgaria and other countries.

Integral parts of the Bulgarian legislation, subject to certain procedures, are also all social security related legal acts of the European Union. In case of controversy

between any internal law and any of EU regulations, Bulgarian courts are obliged to apply directly the provisions of the latter.

VI.2.2. Basic Legal Definitions

The basic legal definitions in the field of social security law are as follows:

- **Obligatory insured persons for all social risks (i.e. general disease and maternity, disability because of general disease, old age and death, accident at work and professional disease, unemployment)** – specified in article 4 of the Social Security Code including but not limited to: the workers or employees hired to work for more than five working days or 40 hours, within a calendar month, regardless of the nature of the work, the mode of pay, and the source of funding (with some exceptions); the civil servants; the judges, prosecutors, investigating magistrates, executive judges, recording magistrates, and judicial officers; certain types of military servants; members of cooperations, who perform work and receive remuneration from the cooperation; the persons who work under a second employment contract or under an additional employment contract; the contractors under contracts for management and control of commercial corporations, as well as managers, procurators and controllers of companies, liquidators, etc.
- **Obligatory insured persons for limited social risks (disability due to a general disease, old age and death)** are: persons registered as sole practitioners /as freelancers and/or exercising craftsmen activity; persons performing work as sole traders, owners or partners in commercial corporations; registered agricultural producers and tobacco producers; persons who perform work without entering into a labour relationship and who receive monthly remuneration equal to or exceeding one minimum wage after deduction of the operating expenses, unless insured on different grounds during the relevant month; persons who perform work without entering into an employment relationship and who are insured on different grounds during the relevant month, regardless of the amount of the remuneration received.
- **Social Insurance Contributors** – according to article 5 of the Social Security Code this is any natural person, legal entity or non-personified entity, as well as any other organizations obligated by the law to make social security contributions for other natural persons.
- **Self-insured person** – a natural person obligated to make his/her social insurance contributions entirely at his/her own expense.

VI.2.3. General Review

The authorities governing the social insurance system are the Ministry of Labour and Social Policy and the National Social Security Institute. The Ministry develops, coordinates and implements state policy in the field of public social insurance. The National Social Security Institute directly administers social insurance.

The social insurance sector is usually described as a system of three pillars - state mandatory social security, supplementary (mandatory) social security and voluntary (pension) insurance. Each next pillar extends the volume of rights of the secured persons. That is why the following presentation reveals the issues in the same order.

State social security

Social security relations in the Republic of Bulgaria may be divided into two general groups:

- relations regarding the state social security and
- relations regarding the supplementary social security.

The state social security covers the risks of general disease, labour accident, professional illness, maternity, unemployment, old age and death. There are respective funds collecting the resources allocated to each of them. The basic principles of the state social security are:

- equality of socially secured persons,
- compulsory compliance,
- universal coverage,
- solidarity of socially secured persons and
- fund organization of the social insurance sources.

This means that all members of the society contribute to the collection of resources in the social security funds, but the social security compensations are paid only to those for which the social risks occur.

The income for which insurance payments are due shall include all the remunerations, including the accounted and non-paid or non-accounted ones and other incomes from labour activity. The installments of non-accounted remuneration shall be calculated on the basis of the insurance income according to the economic activity and the qualification group of profession. In case such are not provided the installments shall be calculated on the basis of the minimum wage of the country.

The Budget of the State Social Security Act for the respective year determines the amount of social security installments collected by the funds for the respective social risks, as well as the minimum and maximum security income for the year.

The Social Security Code determines the amount of security installments regarding employees working at the third (basic) category of labour for the various funds (incl. „Pension" Fund, "General Disease and Maternity" Fund, "Unemployment" Fund and "Labour Accident and Professional Decease" Fund).

In the common case, the installments for "Labour Accident and Professional Decease" Fund shall be at the expense of the insurers. The ratio between the insurer and the insured person for the "Unemployment" and "Maternity and General Disease" Funds is kept 60 to 40, whereby 60 % is paid by the insurer.

Generally, security installments are to be deposited by the 25th day of the month following the month they refer to.

Supplementary social insurance

The principles of functioning of the supplementary social insurance differ considerably from those of the mandatory social insurance. The supplementary social security consists of: additional obligatory pension security in case of old age and death; additional voluntary pension security in case of old age, disability and death; additional voluntary security for unemployment and/or vocational training. A person can benefit from supplementary social insurance by participation in universal and/or occupational pension funds, funds for supplementary voluntary pension insurance on occupational schemes and funds for supplementary voluntary insurance for unemployment or vocational training. The latter are managed by licensed pension insurance companies or insurance companies for unemployment and/or vocational training. Individual lots are opened for each insured person and the sums collected therein are paid provided that the respective social risk occurs.

Supplementary mandatory and voluntary pension insurance

Supplementary mandatory pension insurance is made in universal and occupational pension funds in keeping with the principle for mandatory nature of the insurance. Persons born after 31 December 1959 are insured for supplementary pension in case they are insured under the mandatory state social insurance for Fund "Pension", as well as persons working under the conditions of first and second category of labour, regardless of their age.

The social security contribution for persons insured in a universal pension fund is fixed at 5%. It is distributed between the social insurer (2,8%) and the social insured person (2,2%), while for an occupational pension fund the social security contribution is 12% for persons working under the conditions of first category of labour and 7% for persons working under the conditions of second category of labour, and the contributions are entirely borne by the social insurer.

Supplementary voluntary pension insurance is made in a supplementary voluntary pension insurance fund and supplementary voluntary pension insurance on occupational schemes in keeping with the principle for voluntary nature of the insurance. Insured persons can be 16 years of age and older. Social security contributions for supplementary voluntary pension insurance have no fixed amount. Insured persons acquire entitlement to personal pension for old age, personal pension for disability, and if certain prerequisites are met, their heirs are entitled to inheritance pension if the insured person dies. Supplementary voluntary insurance for unemployment and/or vocational training is made in funds for supplementary voluntary insurance for unemployment or vocational training. Insurance in such funds entitled the insured persons to benefits in the event of unemployment and/or money for attendance of vocational trainings.

* The present material reflects the applicable Bulgarian legislation as of April 11, 2014.

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