

## Bulgaria

Exchange rate: US\$1.00 = 1.80 leva.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1924.

**Current laws:** 2000 (social insurance) and 2000 (pensions).

**Type of program:** Social insurance, individual account, and social assistance system.

Note: From August 1, 2015, workers born after 1959 can switch between the first-pillar pay-as-you-go (PAYG) social insurance program and the second-pillar individual accounts multiple times until 5 years before retirement. New entrants to the labor force who do not make a choice are automatically assigned to the PAYG program.

#### Coverage

**Social insurance:** All employed and self-employed persons and farmers.

**Individual account:** All persons born after December 31, 1959, who are covered by social insurance and who entered the labor force before December 31, 2014. New entrants in the labor force after December 31, 2014 can opt into the mandatory individual account system.

**Social assistance:** Residents of Bulgaria.

#### Source of Funds

##### Insured person

**Social insurance:** 7.9% of covered earnings for social insurance only; 5.7% of covered earnings for social insurance and individual account.

The minimum monthly earnings used to calculate contributions are 420 leva.

The maximum monthly earnings used to calculate contributions are 2,600 leva.

**Individual account:** 2.2% of covered earnings.

The minimum monthly earnings used to calculate contributions are 420 leva.

The maximum monthly earnings used to calculate contributions are 2,600 leva.

**Social assistance:** None.

##### Self-employed person

**Social insurance:** For persons born before January 1, 1960, 17.8% of declared covered earnings; for persons born after December 31, 1959, 12.8% of declared covered earnings.

The minimum monthly earnings used to calculate contributions are 420 leva.

The maximum monthly earnings used to calculate contributions are 2,600 leva.

**Individual account:** 5% of declared covered earnings.

The minimum monthly earnings used to calculate contributions are 420 leva.

The maximum monthly earnings used to calculate contributions are 2,600 leva.

**Social assistance:** None.

##### Employer

**Social insurance:** 9.9% of covered earnings for social insurance only; 7.1% of covered earnings for social insurance and individual account.

The minimum monthly earnings used to calculate contributions are 420 leva.

The maximum monthly earnings used to calculate contributions are 2,600 leva.

**Individual account:** 2.8% of covered earnings.

The minimum monthly earnings used to calculate contributions are 420 leva.

The maximum monthly earnings used to calculate contributions are 2,600 leva.

**Social assistance:** None.

##### Government

**Social insurance:** Any deficit; contributes as an employer.

**Individual account:** None; contributes as an employer.

**Social assistance:** The total cost.

#### Qualifying Conditions

**Old-age pension (social insurance):** Age 63 and 10 months (men) or age 60 and 10 months (women) with at least 38 years and 2 months (men) or 35 years and 2 months (women) of contributions.

The normal retirement age for men is gradually rising by 2 months in 2017 and by 1 month a year thereafter until reaching age 65 by 2029. For women, the normal retirement age is gradually rising by 2 months a year from 2017 to 2029 and by 3 months a year from 2030 to 2037. The contribution years are gradually rising by 2 months a year until reaching 40 years (men) and 37 years (women) of contributions.

Purchase of up to 5 missing years of contributions is possible.

Partial pension: Age 65 and 10 months with at least 15 years of contributions. The normal retirement age is gradually rising by 2 months a year until reaching age 67.

Deferred pension: The pension may be deferred. There is no maximum deferral period.

Benefits are payable abroad.

**Old-age pension (individual account):** Age 63 and 10 months (men) or age 60 and 10 months (women). The normal retirement age and contribution years are gradually rising by 2 months a year until reaching age 65 for both men and women with 40 years (men) and 37 years (women) of contributions.

Early pension: An early pension may be possible, depending on the insured's occupation.

Benefits are payable abroad under reciprocal agreement.

**Old-age social pension (social assistance):** Age 70 (age 65 if living alone) with monthly income in the last 12 months of no more than the guaranteed minimum monthly income for each family member.

The guaranteed minimum monthly income is 65 leva.

**Disability pension (social insurance):** Must be assessed with at least a 50% loss of working capacity and have at least one year of contributions if aged 20 to 24; three years of contributions if aged 25 to 30; or five years of contributions if aged 31 or older. There is no contribution requirement if younger than age 20 or assessed as blind.

Ministry of Health Medical Expert Commissions assess the loss of working capacity.

Benefits are payable abroad.

**Disability social pension (social assistance):** Aged 16 or older with an assessed loss of working capacity of at least 71%.

Ministry of Health Medical Expert Commissions assess the loss of working capacity.

**Survivor pension (social insurance):** Eligible survivors include a surviving spouse within five years of the normal retirement age (earlier if disabled), children up to age 18 (age 26 if a student or in military service, no limit if disabled), and parents older than the normal retirement age (at any age if the insured died during military service) who do not receive a pension in their own right.

Benefits are payable abroad.

### **Old-Age Benefits**

**Old-age pension (social insurance):** 1.1% of the income basis for each year of contributions is paid.

The income basis is determined by multiplying the ratio of the insured's average monthly earnings to the national average monthly earnings for the same period by the national average monthly contribution income over the 12 calendar months before the pension is awarded.

The minimum old-age pension is 157.44 leva a month (161.38 leva a month from July 1, 2016).

The maximum old-age pension is 910 leva a month (2015).

Partial pension: 85% of the minimum old-age pension is paid (133.82 leva a month in January 2016; 137.17 a month from July 1, 2016).

Deferred pension: The benefit is increased by 4% for each year the insured is older than the normal retirement age.

Benefit adjustment: The minimum pension is set annually by law.

**Old-age pension (individual account):** An annuity is paid based on the account balance and life expectancy at retirement.

**Old-age social pension (income tested):** 115.15 leva a month is paid.

### **Permanent Disability Benefits**

**Disability pension (social insurance):** 1.1% of the income basis for each year of contributions multiplied by the loss of working capacity is paid (for a loss of working capacity greater than 90%, 0.9; for a loss of working capacity of 71% to 90%, 0.7; for a loss of working capacity from 50% to 70.99%, 0.5). Years of coverage are proportionately adjusted for partial years of coverage.

The income basis is determined by multiplying the ratio of the insured's average monthly earnings to the national average monthly earnings for the same period by the national average monthly contribution income over the 12 calendar months before the pension is awarded.

The minimum disability pension varies from 85% to 125% of the minimum old-age pension, according to the assessed loss of working capacity and cause of disability. A disability pension due to work accidents or occupational diseases is at least equal to a disability pension for general sickness.

The minimum disability pension is 157.44 leva a month (161.38 leva a month from July 1, 2016).

The maximum disability pension is 910 leva a month (2015).

**Disability social pension (social assistance):** 120% of the old-age social pension is paid for a loss of working capacity greater than 90%; 110% for a loss of working capacity of 71% to 90%.

The old-age social pension is 115.15 leva a month.

### **Survivor Benefits**

**Survivor pension (social insurance):** 50% of the deceased's old-age pension is paid for one survivor; 75% for two survivors; 100% for three survivors or more. The pension is split equally among all eligible survivors. Full orphans receive the sum of the pensions of both deceased parents.

The minimum pension for each survivor is 75% of the minimum old-age pension.

The minimum old-age pension is 157.44 leva a month.

## Administrative Organization

### Social insurance

Ministry of Labor and Social Policy (<http://www.mlsp.government.bg>) is responsible for national social insurance policy.

National Social Security Institute (<http://www.nssi.bg>), managed by a tripartite supervisory board of representatives of the government, employers, and workers, administers the social insurance system.

National Revenue Agency (<http://www.nra.bg>) collects social security contributions and transfers the contributions to the National Social Security Institute.

### Individual account

Financial Supervision Commission (<http://www.fsc.bg>) licenses and supervises pension insurance companies and oversees the system of mandatory individual accounts.

National Revenue Agency (<http://www.nra.bg>) collects social security contributions and transfers allocated contributions to the mandatory individual accounts at the respective pension insurance companies.

Pension insurance companies manage the individual accounts and pay benefits directly to the insured.

### Social assistance

Ministry of Labor and Social Policy (<http://www.mlsp.government.bg>) is responsible for national social assistance policy.

## Sickness and Maternity

### Regulatory Framework

**First law:** 1918.

**Current laws:** 1998 (health insurance) and 2000 (social insurance).

**Type of program:** Social insurance system.

### Coverage

**Cash sickness and maternity benefits:** Employees working for more than five days or 40 hours a month, including civil servants, military personnel, members of cooperatives, and clergy.

Voluntary coverage for self-employed persons, business owners, farmers, and working pensioners.

**Medical benefits:** Residents of Bulgaria.

## Source of Funds

### Insured person

**Cash benefits:** 1.4% of covered earnings.

**Medical benefits:** 3.2% of covered earnings.

The minimum monthly earnings used to calculate contributions are 420 leva.

The maximum monthly earnings used to calculate contributions are 2,600 leva.

### Self-employed person

**Cash benefits:** 3.5% of declared covered earnings.

**Medical benefits:** 8% of declared covered earnings.

The minimum monthly earnings used to calculate contributions are 420 leva.

The maximum monthly earnings used to calculate contributions are 2,600 leva.

### Employer

**Cash benefits:** 2.1% of covered earnings.

**Medical benefits:** 4.8% of covered earnings.

The minimum monthly earnings used to calculate contributions are 420 leva.

The maximum monthly earnings used to calculate contributions are 2,600 leva.

**Government:** Any deficit; contributes as an employer; the total cost of certain public health programs (emergency care, treatment of psychiatric diseases, HIV, tuberculosis, hemodialysis, methadone programs and health care for war veterans and children at risk).

### Qualifying Conditions

**Cash sickness, maternity and paternity benefits:** Must have at least six months of coverage for sickness benefits and 12 months of coverage for maternity and paternity benefits.

There is no qualifying period for an insured person younger than age 18.

**Medical benefits:** Must be a resident of Bulgaria.

### Sickness and Maternity Benefits

**Sickness benefit:** 80% of the basic income is paid from the fourth day of sickness until working capacity is recovered or until permanent disability is assessed, whichever is earlier. (The employer pays 70% of the basic income for the first three days of sickness).

Benefits are also paid for the entire period of a temporary incapacity if the patient is quarantined. Benefits may be paid for sanatorium treatment, depending on the health authority.

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Basic income is the insured's average daily gross wage or average daily insured earnings in the 18 calendar months before the incapacity began.

Benefits are paid for providing care to sick family members and accompanying them to medical treatment. The duration of the benefit depends on certain criteria including the age of the sick family member and the length of recovery or confinement.

**Maternity benefit:** 90% of the insured's basic income is paid for 410 days, beginning 45 days before the expected date of childbirth.

Basic income is the insured's average daily gross wage or average daily insured earnings in the 24 calendar months before the maternity leave.

**Paternity benefit:** 90% of the insured's basic income is paid for 15 days after the childbirth.

Basic income is the insured's average daily gross wage or average daily insured earnings in the 24 calendar months before the paternity leave.

**Child care benefit:** 340 leva a month is paid until the child is age 2.

**Assistance to students:** Benefits include a lump sum paid during pregnancy, a lump sum paid after giving birth, a monthly allowance paid for a child until he or she leaves secondary education or up to age 20, and a monthly allowance paid for child care for a child up to age 1.

**Funeral grant:** The sum of 540 leva is split equally among the surviving spouse, children, and parents.

### **Workers' Medical Benefits**

Medical services are provided directly to patients according to a contract between medical institutions and the National Health Insurance Fund. Benefits include general and specialist care at health centers, outpatient departments of hospitals; hospitalization; prescribed medicine; dental care; and necessary appliances.

Public health care programs include hematology, treatment of mental illness, and transplants.

### **Dependents' Medical Benefits**

Medical benefits for dependents are the same as those for the insured.

### **Administrative Organization**

National Social Security Institute (<http://www.nssi.bg>), managed by a tripartite supervisory board of representatives of the government, employers, and workers, administers the social insurance system.

Ministry of Health (<http://www.mh.government.bg>) administers public health programs and sets health care standards and controls.

National Health Insurance Fund (<http://www.en.nhif.bg/>) administers medical benefits for insured persons.

## **Work Injury**

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### **Regulatory Framework**

**First law:** 1924.

**Current law:** 2000 (social insurance).

**Type of program:** Social insurance system.

### **Coverage**

Employees working for more than five days or 40 hours a month, including civil servants, military personnel, members of cooperatives, and clergy.

Voluntary coverage for self-employed persons, business owners, farmers, and working pensioners.

### **Source of Funds**

**Insured person:** None.

**Self-employed person:** 0.4% to 1.1% of income, according to the assessed degree of risk.

**Employer:** 0.4% to 1.1% of payroll, according to the assessed degree of risk.

**Government:** None; contributes as an employer.

### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period for work injury or occupational disease benefits.

### **Temporary Disability Benefits**

90% of the insured's earnings is paid from the first day of incapacity until recovery or certification of permanent disability.

Ministry of Health Medical Expert Commissions assess the loss of working capacity.

### **Permanent Disability Benefits**

**Permanent disability pension:** 30% to 40% of the insured's earnings is paid, according to the assessed loss of working capacity.

The minimum disability pension varies from 100% to 125% of the minimum old-age pension, according to the assessed loss of working capacity.

The minimum old-age pension is 157.44 leva a month.

Constant-attendance allowance: 75% of the old-age social pension is paid if the insured requires the constant attendance of others to perform daily functions (loss of working capacity above 90%).

The old-age social pension is 115.15 leva a month.

Ministry of Health Medical Expert Commissions assess the loss of working capacity.

### **Survivor Benefits**

**Survivor pension:** 50% of the deceased's disability pension is paid for one survivor; a combined total of 75% for two; a combined total of 100% for three or more. The pension is split equally among all eligible survivors. Full orphans receive the sum of the pensions of both deceased parents.

The minimum survivor pension is 75% of the minimum old-age pension.

The minimum old-age pension is 157.44 leva a month.

### **Administrative Organization**

National Social Security Institute (<http://www.nssi.bg>), managed by a tripartite supervisory board of representatives of the government, employers, and workers, administers the social insurance system.

## **Unemployment**

### **Regulatory Framework**

**First law:** 1925.

**Current law:** 2000 (social insurance).

**Type of program:** Social insurance system.

### **Coverage**

Employed persons.

Exclusions: Self-employed persons.

### **Source of Funds**

**Insured person:** 0.4% of covered earnings.

The maximum monthly earnings used to calculate contributions are 2,600 leva.

**Self-employed person:** Not applicable.

**Employer:** 0.6% of covered payroll.

The maximum monthly earnings used to calculate contributions are 2,600 leva.

**Government:** None.

### **Qualifying Conditions**

**Unemployment benefits:** Must have at least nine months of contributions within the last 15 months before the termination of employment.

### **Unemployment Benefits**

60% of the insured's average earnings in the last 24 months is paid for four to 12 months, according to the number of years of contributions.

The minimum unemployment benefit is 7.20 leva a day.

The benefit is proportionately reduced for part-time workers.

If the insured becomes unemployed within three years of previous entitlement or is dismissed or voluntarily unemployed, the benefit is paid for up to four months.

The benefit may be combined with a disability pension, noncontributory pensions, and family benefits paid for a child younger than age 18.

### **Administrative Organization**

National Social Security Institute (<http://www.nssi.bg>), managed by a tripartite supervisory board of representatives of the government, employers, and workers, administers the social insurance system.

National Employment Agency (<http://www.az.government.bg>), an executive agency of the Minister of Labor and Social Policy, implements employment promotion policy.

## **Family Allowances**

### **Regulatory Framework**

**First law:** 1942.

**Current law:** 2002 (family benefits).

**Type of program:** Social assistance system.

### **Coverage**

All residents of Bulgaria.

### **Source of Funds**

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost.

### **Qualifying Conditions**

**Family allowances:** The monthly income for each family member must not be greater than 350 leva (except if the child is permanently disabled). The child must attend school (from age 7 to age 20), and not be in a specialized child care institution.

**Child-raising allowance:** The monthly income for each family member must not be greater than 350 leva. The child must not be in a specialized child care institution.

**Pregnancy grant:** Paid to non-insured women 45 days before the expected birth, provided the monthly income for each family member is not greater than 350 leva.

**Birth grant:** Paid for each live birth regardless of family income.

**Guaranteed minimum income (social assistance):** Paid to needy families.

Income test: Monthly per capita family net income must not exceed the differentiated minimum income which depends on the family composition: 47.45 leva a month for a single person with no children; 85.8 leva a month for a couple with no children; 134 leva for a couple with two children; 102 leva for a single parent with one child.

### **Family Allowance Benefits**

**Family allowances:** 37 leva a month is paid for the first child, 85 leva for the second, 130 leva for third, 140 leva for fourth and additional 20 leva for each subsequent child; benefits are doubled for disabled children.

Disability supplement: 240 leva a month is paid for a disabled child.

**Child-raising allowance:** 100 leva a month is paid until the child is age 1 if the mother is not receiving maternity benefits; age 2 if the child has disability, regardless of family income.

**Pregnancy grant:** 150 leva is paid.

**Birth grant:** 250 leva is paid for the birth of the first child, 600 leva for the second, 300 leva for third and 200 leva for the birth of each subsequent child. For the birth of a child with a disability, an additional 100 leva is paid.

**Minimum income guarantee:** The difference between differentiated minimum income and the actual family income is paid monthly. A heating allowance is also paid.

### **Administrative Organization**

Social Assistance Agency (<http://www.mlsp.government.bg>) of the Ministry of Labor and Social Assistance administers the program.