

Bulgaria

Exchange rate: US\$1.00 = 1.42 leva.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1924.

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

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

Coverage

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

Mandatory individual account: All persons born after December 31, 1959, who are covered by social insurance.

Source of Funds

Insured person

Social insurance: 7.9% of covered earnings for persons born before January 1, 1960; 5.7% of covered earnings if born after December 31, 1959.

The minimum monthly earnings used to calculate contributions are 340 leva.

The maximum monthly earnings used to calculate contributions are 2,400 leva.

Mandatory individual account: 2.2% of covered earnings.

The minimum monthly earnings used to calculate contributions are 340 leva.

The maximum monthly earnings used to calculate contributions are 2,400 leva.

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 2,400 leva.

Mandatory 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 2,400 leva.

Employer

Social insurance: For persons born before January 1, 1960, 9.9% of covered payroll; for persons born after December 31, 1959, 7.1% of covered payroll.

The minimum monthly earnings used to calculate contributions are 340 leva.

The maximum monthly earnings used to calculate contributions are 2,400 leva.

Mandatory individual account: 2.8% of covered payroll.

The minimum monthly earnings used to calculate contributions are 340 leva.

The maximum monthly earnings used to calculate contributions are 2,400 leva.

Government

Social insurance: Any deficit and the cost of non-contributory pensions; contributes as an employer.

Mandatory individual account: None; contributes as an employer.

Qualifying Conditions

Old-age pension (social insurance): Age 63 and 8 months (men) or age 60 and 8 months (women) with at least 37 years and 8 months (men) or 34 years and 8 months (women) of contributions. The pensionable age and contribution years are gradually rising by 4 months a year until reaching age 65 (men) and 63 (women) with 40 years (men) and 37 years (women) of contributions (The original target date was 2017 but there were no increases in 2014.)

Partial pension: Age 65 and 8 months with at least 15 years of contributions (including at least 12 years of paid contributions).

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

Benefits are payable abroad.

Old-age pension (mandatory individual account):

Age 63 and 8 months (men) or age 60 and 8 months (women). The pensionable age and contribution years are gradually rising by 4 months a year until reaching age 65 (men) and 63 (women) with 40 years (men) and 37 years (women) of contributions (The original target date was 2017 but there were no increases in 2014.)

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

Benefits are payable abroad under reciprocal agreement.

Old-age social pension (income tested): Aged 70 or older 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): There is no minimum qualifying period for persons younger than age 20 or for persons assessed as blind; one year of contributions for those aged 25 to 29; three years for those aged 30; five years for those older than age 30.

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

Benefits are payable abroad.

Disability social pension (income tested): Age 16 or older with an assessed loss of working capacity greater than 71%.

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

Survivor pension (social insurance): Eligible survivors include a surviving spouse within five years of attaining 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 taxable income for each year of coverage is paid. Taxable income used to calculate benefits is reduced proportionately for partial years of coverage.

The minimum old-age pension at the normal retirement age is 150 leva a month with the required number of contributions.

Partial pension: 127.50 leva is paid.

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

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

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

Old-age social pension (income tested): 110 leva a month is paid.

Permanent Disability Benefits

Disability pension (social insurance): The pension is based on the number of years of contributions, taxable income, the age of the insured if younger than the normal retirement age, and the assessed loss of working capacity.

The minimum disability pension varies from 85% to 115% of the minimum old-age pension, according to the assessed loss of working capacity.

The minimum old-age pension is 150 leva a month.

Disability social pension (income tested): 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 110 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 150 leva a month.

Administrative Organization

Social insurance

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

Mandatory 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.

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: All 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 340 leva.

The maximum monthly earnings used to calculate contributions are 2,400 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 2,400 leva.

Employer

Cash benefits: 2.1% of payroll.

Medical benefits: 4.8% of payroll.

The minimum monthly earnings used to calculate contributions are 340 leva.

The maximum monthly earnings used to calculate contributions are 2,400 leva.

Government: Any deficit; contributes as an employer; the total cost of public health care.

Qualifying Conditions

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

Basic income is the insured's average daily gross wage or average daily insured earnings in the 18 calendar months before the incapacity began (or 12 months before the maternity leave).

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 average daily covered earnings is paid for 410 days, beginning 45 days before the expected date of childbirth.

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, or home; 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

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 degree of 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 150 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.

The old-age social pension is 110 leva a month.

Ministry of Health Medical Expert Commissions assess the degree of 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 minimum survivor pension is 75% of the minimum old-age pension.

The minimum old-age pension is 150 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 2,400 leva.

Self-employed person: Not applicable.

Employer: 0.6% of covered payroll.

The maximum monthly earnings used to calculate contributions are 2,400 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 an eligible worker becomes unemployed within three years of previous entitlement, the benefit is paid for up to four months.

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

The minimum benefit is paid to voluntarily unemployed persons and persons who are dismissed or who become eligible for unemployment benefits within three years of previous entitlement.

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. The allowance is paid until the child is age 1 if the mother is not receiving maternity benefits; age 2 if the child has a disability, regardless of any family income.

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.

Family Allowance Benefits

Family allowances: 35 leva a month is paid for the first child, 50 leva for the second, and 35 leva for each subsequent child (240 leva if disabled).

Child-raising allowance: 100 leva a month is paid.

Pregnancy grant: 150 leva is paid.

Birth grant: 250 leva is paid for the birth of the first child, 600 leva for the second, 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.

Administrative Organization

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