

Bulgaria

Exchange rate: US\$1.00 equals 1.36 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 persons and self-employed persons, freelance professionals, artists, craftsmen, and farmers.

Voluntary coverage is not possible.

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

Source of Funds

Insured person

Social insurance: For persons born before January 1, 1960, 7.1% of covered earnings; for persons born after December 31, 1959, 4.9% of covered earnings.

The minimum monthly earnings used to calculate contributions are 240 leva.

The maximum monthly earnings used to calculate contributions are 2,000 leva.

Mandatory individual account: 2.2% of covered earnings plus up to 1% per year of accumulated funds for administrative fees.

The minimum monthly earnings used to calculate contributions are 240 leva.

The maximum monthly earnings used to calculate contributions are 2,000 leva.

Self-employed person

Social insurance: For persons born before January 1, 1960, 16% of declared covered earnings; for persons born after December 31, 1959, 11% of declared covered earnings.

The minimum monthly earnings used to calculate contributions are 240 leva.

The maximum monthly earnings used to calculate contributions are 2,000 leva.

Mandatory individual account: 5% of declared covered earnings plus up to 1% per year of accumulated funds for administrative fees.

The minimum monthly earnings used to calculate contributions are 240 leva.

The maximum monthly earnings used to calculate contributions are 2,000 leva.

Employer

Social insurance: For persons born before January 1, 1960, 8.9% of covered payroll; for persons born after December 31, 1959, 6.1% of covered payroll.

The minimum monthly earnings used to calculate contributions are 240 leva.

The maximum monthly earnings used to calculate contributions are 2,000 leva.

Mandatory individual account: 2.8% of covered payroll.

The minimum monthly earnings used to calculate contributions are 240 leva.

The maximum monthly earnings used to calculate contributions are 2,000 leva.

Government

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

Mandatory individual account: None; contributes as an employer.

Qualifying Conditions

Old-age pension (social insurance): Age 63 (men) or age 60 (women). Must have at least 100 points (men) or 94 points (women). (Individuals are awarded one point for each year of age and one point for each year of coverage.)

If the insured has insufficient points, a pension is paid with at least 15 years of coverage (including at least 12 years of actual service) at age 65 (men and women).

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 (men) or age 60 (women).

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 (men and women) and monthly income of no more than the guaranteed minimum monthly income per family member in the last 12 months.

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; 1 year for those aged 25 to 29; 3 years for those aged 30; 5 years for those older than age 30.

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

Benefits are payable abroad.

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

Ministry of Health Medical Expert Commissions are responsible for assessing the degree of loss of working capacity.

Survivor pension (social insurance): Paid for children up to age 18 (age 26 if a student or in military service, no limit if disabled), a surviving spouse within 5 years of attaining the normal retirement age (earlier 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): The pension is 1.1% of taxable income for each year of coverage. Taxable income used to calculate benefits is reduced proportionately for partial years of coverage.

The minimum old-age pension for pensioners with the required number of points at the normal retirement age is 136.08 leva a month; pensioners without the required number of points receive 115.67 leva.

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

Old-age pension (mandatory individual account): A pension is paid based on the accumulated capital in the individual account and life expectancy. The pension insurance company pays benefits directly to the insured.

Old-age social pension (income-tested): 92.53 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 (from 115.67 leva to 156.49 leva a month).

The minimum old-age pension is 136.08 leva a month.

Disability social pension (income-tested): The pension is calculated as a percentage of the old-age social pension (92.53 leva), according to the assessed loss of working capacity: 120% of the old-age social pension (111 leva) is paid for a loss of working capacity greater than 90%; 110%

of the old-age social pension (101.78 leva) for a loss of working capacity of 71% to 90%.

Survivor Benefits

Survivor pension (social insurance): 50% of the deceased's 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 136.08 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 allocated to the social insurance system to the National Social Security Institute.

Mandatory individual account

Financial Supervision Commission (<http://www.fsc.bg>) is responsible for licensing and supervising pension insurance companies and overseeing the system of mandatory individual accounts.

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

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 5 days or 40 hours a month, including civil servants, judges, prosecutors, investigators, bailiffs, military personnel, members of cooperatives, paid public officials, and clergy.

Voluntary coverage for registered freelance professionals and artisans, sole proprietors, owners or partners in commercial companies, registered 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 240 leva.

The maximum monthly earnings used to calculate contributions are 2,000 leva.

Self-employed person

Cash benefits: Voluntary contributions of 3.5% of declared covered earnings.

Medical benefits: 8% of declared covered earnings.

The minimum monthly earnings used to calculate contributions are 240 leva.

The maximum monthly earnings used to calculate contributions are 2,000 leva.

Employer

Cash benefits: 2.1% of payroll.

Medical benefits: 4.8% of payroll.

The minimum monthly earnings used to calculate contributions are 240 leva.

The maximum monthly earnings used to calculate contributions are 2,000 leva.

Government: Any deficit; contributes as an employer.

Qualifying Conditions

Cash sickness and maternity benefits: The insured must have at least 6 months of coverage for sickness benefits or 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: The benefit is 80% of the insured's earnings and is paid for up to 90 days. 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.

Earnings are based on the insured's average daily gross wage or average daily insured earnings in the 6 calendar months before the incapacity began.

Benefits are paid for providing care to sick family members and accompanying them to medical treatment: for up to 10 days for a family member older than age 18; for up to 60 days if the family member is younger than age 18; for caring for a sick child up to age 3 who is hospitalized; or to provide care to a family member for the duration of the quarantine period.

Maternity benefit: The benefit is 90% of the insured's average daily covered earnings and is paid for a period of 410 days, beginning 45 days before the expected date of childbirth.

Child care benefit: 240 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 the insured 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: Twice the minimum wage is split equally among the surviving spouse, children, and parents.

The monthly minimum wage is 240 leva a month.

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.

Dependents' 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.

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 Health Insurance Fund (<http://www.nhif.bg>) administers medical benefits.

Work Injury

Regulatory Framework

First law: 1924.

Current law: 2000 (social insurance).

Type of program: Social insurance system.

Coverage

Employees working for more than 5 days or 40 hours a month, including civil servants, judges, prosecutors, investigators, bailiffs, military personnel, members of cooperatives, paid public officials, and clergy.

Voluntary coverage for registered freelance professionals and artisans, sole proprietors, owners or partners in commercial companies, registered farmers, and working pensioners.

Source of Funds

Insured person: None.

Self-employed person: Voluntary contributions of 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

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

Ministry of Health Medical Expert Commissions are responsible for assessing the degree of loss of working capacity.

Permanent Disability Benefits

Permanent disability pension: The monthly pension is between 30% and 40% of the insured's earnings, 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 (from 136.08 leva to 170.10 leva a month).

The minimum old-age pension is 136.08 leva a month.

Constant-attendance allowance: If the insured requires the constant attendance of others to perform daily functions, 75% of the old-age social pension (69.40 leva) is paid.

The old-age social pension is 92.53 leva a month.

Ministry of Health Medical Expert Commissions are responsible for assessing the degree of loss of working capacity.

Survivor Benefits

Survivor pension: One survivor receives 50% of the deceased's disability pension; two survivors receive a combined total of 75%; three survivors or more receive a combined total of 100%.

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

The minimum old-age pension is 136.08 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 2,000 leva.

Self-employed person: Not applicable.

Employer: 0.6% of covered payroll.

The maximum monthly earnings used to calculate contributions are 2,000 leva.

Government: None.

Qualifying Conditions

Unemployment benefits: The insured must have at least 9 months of coverage.

Unemployment Benefits

The benefit is 60% of the insured's average earnings in the last 9 months. The benefit is paid for up to 4 months with at least 3 years of coverage; for up to 12 months with more than 25 years of coverage.

The minimum benefit is 6 leva per day.

The maximum benefit is 12 leva per day.

The benefit is proportionately reduced for part-time workers.

If an eligible worker becomes unemployed within 3 years of previous entitlement, the benefit is paid for up to 4 months.

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

For voluntarily unemployed persons and persons who are dismissed or who become eligible for unemployment benefits within 3 years of previous entitlement, only the minimum benefit is paid.

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.

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 has a permanent disability). The child must reside in Bulgaria, attend school (from age 7 to age 20), and not be in a specialized child care institution.

Child-rearing allowance: The monthly income for each family member must not be greater than 350 leva. The child must reside in Bulgaria and 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.

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

Family Allowance Benefits

Family allowances: Each child receives 35 leva a month; for a child with a disability, 100 leva a month is paid.

Child-rearing allowance: 100 leva a month 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.