



**Global Employment  
Compass  
Bulgaria**

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# 1. Summary of applicable rights for different categories of workers

	Employees (part-time or full-time)	Independent contractors/ service providers	Volunteers
<b>Employment laws and regulations</b>	Yes	No	No
<b>Employees' compensation/ remuneration requirements</b>	Yes	No	No
<b>Minimum wage requirements</b>	Yes	No	No
<b>Mandatory provident fund/retirement benefit fund contributions</b>	Yes	Yes	No
<b>Immigration requirements including the right to work in your country</b>	Yes	No	Yes
<b>Personal Data (Privacy) laws and regulations</b>	Yes	Yes	Yes
<b>Anti-discrimination laws and regulations</b>	Yes	Yes	Yes



## 2. Legal requirements/rights/ practices for different categories of workers

### a. Employees

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#### *Definition of an employee*

There is no legal definition of an employee in Bulgaria.

### 1 Contracts of Employment

**What types of employment contracts are available? E.g. fixed term, part time, zero hour contracts, other? Are there any specific employment contracts available for non-profit organizations?**

Fixed-term and part-time contracts are available, however zero hour contracts are not permitted.

Additionally, a range of contracts exist that achieve flexibility. These include employment contracts for work on specific days of the month; remote work, work from home; on-call work; open-ended hours work; work in shifts; part time contracts; additional employment contracts, etc.

**What are the key terms of employment contracts?**

The employment contract must contain clauses confirming the following:

- the place of work;
- the job position and the description of the work;
- the end date for the contract and the starting date;
- the duration of the employment contract;
- the amount of basic, extended and additional paid annual leave;
- a notice period (of equal length for both parties) to be observed upon termination of the employment contract;





- the basic and supplementary labor permanent wages as well as the frequency of payment;
- the duration of the working day or week.

Other terms and conditions may also be stipulated. For example, the parties may agree a trial period, which is up to 6 months. If the employment contract is entered as a fixed-term contract shorter than 1 year, the trial period cannot exceed 1 month.

### **Juniors:**

The employment contract may contain health and safety provisions, which are aimed at the protection of junior employees.

Junior employees are entitled to a paid annual leave as soon as they have 4 months of service. The employment agreement may provide for a shorter term.

### **Seniors:**

The law provides for the payment of compensation of 2 months' salary on termination for employees who have acquired pension rights. If the employee has worked for 10 years during the past 20 years with the employer or its group of companies, the compensation is 6 months gross salary. The employment contract may provide higher compensation.

### **Is it acceptable to have a probation period for employees? If yes, for how long?**

Yes. Up to 6 months, although if the agreement is entered into for a fixed-term of less than 1 year, the probationary period is up to 1 month. The probationary period can be agreed in favor of the employer, in favor of the employee or in favor of both parties.

### **Are fixed term employment contracts permissible? Are there any limitations on fixed term contracts? Are there any requirements to have a fixed term contract?**

Fixed-term contracts are permissible.

A fixed-term employment contract can be concluded:

- 1)** for a definite period which may not be longer than 3 years, insofar as a law or an act of the Council of Ministers does not provide otherwise;
- 2)** until completion of specific work;
- 3)** for the temporary replacement of an employee who is absent from work;
- 4)** for work in a position which is to be occupied through a competitive recruitment exercise: the fixed term employee can be employed for the period until the position is filled following the end of the competitive recruitment process and the successful candidate starts in the role;
- 5)** for a certain term of office, where such term has been specified for the respective body.

A fixed-term employment contract under item 1 above shall be concluded for casual, seasonal or short-term work and activities, as well as with newly hired employees in enterprises that have been adjudicated bankrupt or put into liquidation.

Only on an exceptional basis can a fixed-term employment contract under item 1 above be concluded for a period of not less than 1 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 employee. In such cases, the fixed-term employment





contract under item 1 above may be re-concluded with the same employee for the same type of work only once for a period of at least 1 year.

Any employment contract under item 1 above, concluded in violation of the statutory requirements shall be considered as a contract for an indefinite term.

The fixed-term employment contract shall be transformed into a contract for an indefinite term, if the employee continues to work for 5 or more working days after expiry of the agreed period without a written objection of the employer and the position is vacant. The same applies to a fixed-term employment contract for temporary replacement of an absent employee, if the employment contract with the person replaced is terminated during the period of absence.

Fixed-term employment contracts should be avoided as very often the labor inspector authorities establish violations of the employment law and impose sanctions to the employer when fixed term contracts are used.

**Do employment contracts have to be in writing? Are there any signatory requirements for employment contracts? For example, could they be signed in-person or electronically, etc.)?**

An employment contract has to be concluded in writing between the employee and the employer before the commencement of work.

Within 3 days of the agreement or modification of an employment contract and within 7 days after its termination, the employer must send a notification letter to the relevant territorial directorate of the National Revenue Agency.

Before the commencement of work, the employer shall provide the employee with a copy of the employment contract, signed by both parties, as well as with a copy of the notification, certified by the territorial directorate of the National Revenue Agency.

The employee must begin work within 1 week of receiving these unless the parties have agreed otherwise. If the employee fails to begin work, the employment relationship shall be presumed invalid, unless the failure is due to reasons beyond the control of the employee, of which the employer has been notified.

**Do employees have to be issued with a written employment contract before they start work?**

Please see [above](#).

**Can you provide a simple template of the contracts mentioned above?**

There is no universal template in Bulgaria. The contract should be prepared based on the particular circumstances of the appointment.

**Is there an obligation for an employer to run a criminal record check to the extent that any individual they hire will be working with children or vulnerable people?**

No. Criminal checks are allowed only when this is required by law (for instance: for lawyers, doctors, etc.).

**Can employers request references from former employers for new hires?**

Only with the job applicant's prior consent.





**Is an employer required to set up any form of employee representative body? If so, what is the trigger for this?**

Yes, employees may elect representatives at a general meeting of all employees within the employer's business, for the purposes of representing their common interests on issues of industrial and social-security relations. Such representatives shall be elected by a majority of more than two-thirds of the members of the general meeting of employees.

In businesses employing at least 50 employees, including businesses that provide temporary employment, [as well as in organizations and economically self-contained divisions of businesses employing at least 20 employees], the general meeting shall elect from among its composition employee representatives for the purpose of exercising the right to information and consultation in the following cases:

- 1) the recent and probable development of the employer's activities and economic situation;
- 2) the situation, structure and probable development of employment within the employer and regarding any anticipatory measures envisaged, in particular where there is a threat to employment;
- 3) the number of employees providing temporary work within the employer, or the employer's intentions to make use of such employees;
- 4) the possible substantial changes in work organization, including the introduction of 'working from home' and remote work.

The number of employee representatives shall be determined in advance as follows:

- 1) applicable to businesses with 50 to 250 employees: not less than 3 and not more than 5 employee representatives;
- 2) applicable to businesses with more than 250 employees: not less than 5 and not more than 9 employee representatives;
- 3) [applicable to autonomous and economically self-contained divisions of a business: not less than 1 and not more than 3 employee representatives.]

**Is it common to have collective agreements in your jurisdiction that apply to all employers in a particular region or sector?**

It depends on the sector, e.g. in schools, in the energy sector and in manufacturing industries membership in trade unions is common.

## 2 Conditions of employment

**What is the minimum age requirement for employment?**

The minimum age for employment is 16 years. As an exception, individuals aged between 15 and 16 years may be employed, if the work conditions are light and not hazardous or harmful to their health and to their proper physical, mental and moral development and the work would not be detrimental to their regular attendance at school or to their participation in professional guidance or training programs.

As an exception, girls of 14 and older and boys of 13 and older may be employed in circuses, and children who are younger than 15 may still be employed in movies, theater productions and other





productions under relaxed conditions and in compliance with the requirements concerning their proper physical, mental and moral development.

Individuals who are younger than 16 and those aged between 16 and 18 years old can only be employed following permission from the Labour Inspectorate and a medical evaluation.

The working time of employees who are younger than 18 years old is 35 hours per week and 7 hours per day, during a 5-day working week.

Employees aged under 18 years old are entitled to at least 26 working days paid annual leave.

**What type of work may a child undertake? For example, are there any specific restrictions?**

Please see [above](#).

**Wages**

**What is the minimum wage requirement for employees? Are there any exceptions in minimum wages for young persons or people with disabilities?**

It is stipulated in the Public Social Insurance Budget Act every year. Currently the minimum gross monthly remuneration for 2023 is BGN 780 (app. €398).

**Are there any conditions which warrant a pay raise or extra pay? If yes, what are they?**

A salary increase may be agreed between the employee and the employer, or it may be unilaterally decided by the employer. Extra pay is due in case of overtime (please see vii. below), night work (not less than 0.15% of the minimum salary established for the country, but not less than BGN 1 (approx. €0,5) for every night hour), work during official holidays (not less than the double amount of the workers' labor remuneration irrespective of whether the work is overtime), for the educational and scientific degree of "Doctor" or "Doctor of science" related to the job being performed by the employee: BGN 15 (approx. €7,5) for "Doctor" and BGN 50 (approx. €25) for "Doctor of science" payable on a monthly basis.

**When are wages due? For example, is there any obligation to pay wages weekly, or monthly?**

Wages shall be paid in advance or in a lump sum twice a month, unless otherwise agreed.

**Are employers obliged to provide employees with paid leave on public holidays?**

Statutory holidays are:

- a. the 1st day of January – New Year;
- b. the 3rd day of March – Day of the Liberation of Bulgaria from Ottoman Domination, National Day;
- c. the 1st day of May – Labour and International Workers – Solidarity Day;
- d. the 6th day of May – St. George's Day – Day of Valour and of the Bulgarian Armed Forces;
- e. the 24th day of May – Day of the Holy Brothers Cyril and Methodius, of the Bulgarian Alphabet, Education and Culture and of Slav Literature;







- f. the 6th day of September – Union Day;
- g. the 22nd day of September – Independence Day;
- h. the 1st day of November – National Awakeners Day (non-study day for all educational establishments);
- i. the 24th day of December – Christmas Eve;
- j. the 25th and 26th day of December – Christmas;
- k. Good Friday, Holy Saturday and Easter (Easter Sunday and Monday) as determined for Easter celebrations in the relevant year.

Where statutory holidays, except for Easter, coincide with a Saturday and/or Sunday, the first working day or two working days thereafter, shall be a non-working day(s).

The Council of Ministers may occasionally also declare other non-working days as statutory holidays to pay homage to important historical, political, cultural or other events of particular significance, as well as days in honor of certain professions or days of expression of appreciation.

#### **Are employers obliged to provide employees with annual leave?**

Not less than 20 working days paid annual leave. The employee shall be entitled to an additional 5 days of paid annual leave not less than 5 working days:

- a. for working under specific conditions, for example, where there are life and health hazards which cannot be eliminated, restricted or reduced regardless of the measures taken;
- b. for working at open-ended working hours.

#### **Are employees entitled to receive their usual salary during their annual leave?**

Yes.

#### **Is there a requirement to pay overtime? How is overtime compensated?**

Yes. The employees shall be entitled to receive the following additional remuneration for overtime work.

- a. At least 50%\* – for overtime in working days and for overtime in the event of summarized calculation of working hours;
- b. At least 75%\* – for work during the two weekly rest days;
- c. At least 100%\* – for work on public holidays.

If the employee works during the two days-off, they will be entitled to receive the respective additional remuneration (see above) as well as uninterrupted rest of 24 hours during the following week.

\* The increase is calculated on the basis of the basic salary and additional remunerations of permanent nature of the employee as specified in the individual employment contract.

#### **Are there any extraordinary circumstances that could be relied on to temporarily cease paying employees for the hours worked?**





No.

**Are employees entitled to an end-of-year payment?**

No, unless contractually agreed.

**Are employees entitled to payments when their employment contract is terminated, such as notice or notice pay, accrued or untaken holiday and/or statutory severance?**

For employees working on employment contracts for an indefinite term, the termination notice period can vary by law between 30 days and 3 months. Its precise length is agreed by the employer and the employee and stipulated in the employment contract.

The employee is entitled to receive compensation for any unobserved notice period in the amount of their gross remuneration during the notice period, as well as compensation for unused paid annual leave and the salary up to the termination date.

Fixed term contracts require a 3 month notice period. The notice period for the employer and the employee are equal. If such periods are not agreed in the employment contract, the minimum as per law will apply. Payment is due for the unobserved termination notice period and amounts to the gross remuneration of the employee for the relevant notice period. Employees are also entitled to payment for unused paid annual leave.

In case of closing down of the whole or a part of the company; job position reduction; decrease of the volume of the work; lay-off more than 15 business days the employee is entitled to a compensation for unemployment of up to 1-month gross remuneration – payable in 1 month after the employee presents to the employer evidence for unemployment.

Upon termination, every employee who acquired the right to a pension is entitled to a compensation of 2 months gross salary, or 6 months gross salary, if the employee has been working for the same employer or its group for at least 10 years during the last 20 years.

In order to acquire the right to a pension for length of service and age, insured persons must have a) reached the minimum retirement age (for 2023 – 64 years 6 months for men and 62 years for women) and b) have a certain total length of service (for 2023 – 39 years 4 months for men and 36 years and 4 months for women).

**Working hours**

**What is considered a full time working week? If the employee is contractually required to work less than this amount are they considered a part time employee?**

The working week shall consist of five days, with a normal duration of the weekly working time being 40 hours. The normal duration of the working time during the day shall be eight hours. Employees who contractually agree to work less than the statutory working time are considered part time employees.

**Are there fixed public/statutory holidays each year? Can employees be required to work on public/statutory holidays? Are employees entitled to any other type of leave besides public/statutory holidays?**

For public/statutory holidays please see [above](#). Employees can work on public/statutory holidays provided that they work on summarized calculation of working time ("SCWT") or work overtime.

SCWT allows flexible structuring of the working time of employees and provides options for work on shifts with working hours in a given day longer than the limits of the regular working day (i.e., 8





hours). This is possible since the established maximum working time is assessed based on longer periods than a calendar day – i.e., from 1 to 4 months where at the end of the calculation period the employee should have worked on average 8h per day while the work has been distributed differently.

Employees are entitled to other types of leave such as:

- a.** Paid annual leave not less than 20 business days.
- b.** Leaves for Performance of Civic, Public and Other Duties (for example: getting married 2 working days; upon blood donation: for the day of the examination and donation, as well as for one day thereafter; etc.)
- c.** Unpaid leave: unpaid leave of up to 30 working days within 1 calendar year is included in the calculation of continuous service employment service;
- d.** Sick leave: granted by health authorities;
- e.** Maternity leave: The leave for pregnancy and childbirth is 410 days of which 45 days is prior to birth. When the child is older than 6 months old, upon consent of the mother, the father may use the balance of the 410-day pregnancy/childbirth leave. Where the father is unknown, the leave can be used by either of the mother's parents. Where the father is deceased, the leave can be used by either the parents of the mother or of the father.
- f.** Adoption leave: A female employee who has adopted a child aged up to 5 years old is entitled to adoption leave of 365 days from the day when the child arrives with the employee for adoption. If the child is adopted by a married couple, upon consent of the adoptive mother, the adoption leave can be used by the adoptive father, if the latter works under an employment relationship, from 6 months from the day the child arrives with the adoptive parents and before the child reaches 5 years old. If the adoptive mother/father is single, upon their consent, the leave can be used by one of their parents, provided that the latter works under an employment relationship.
- g.** If the mother and the father are married or share a common household, the father shall be entitled to 15-day's leave upon the birth of the child from the date the mother and baby are discharged from hospital. If the adoptive mother and father are married, the adoptive father is also entitled to 15-day's leave from the day the child arrives with the adoptive parents, up to until the 5th birthday of the child.
- h.** After use of the pregnancy, childbirth or adoption leave, if the child has not been placed in a child-care establishment, the female employee is entitled to additional child-care leave until the child reaches 2 years old. With the consent of the mother (adoptive mother), the additional child-care leave can be granted to the father (adoptive father) or to one of their parents, if they work under an employment relationship.
- i.** If the mother of a child under the age of 2, the adoptive mother of a child until the age of 5, dies or becomes seriously ill and is no longer able to take care of the child, the respective leave can be used by the father (adoptive father), if the latter works under an employment relationship or one of the mother's/father's (adoptive mother's/adoptive father's) parents, if the latter works under an employment relationship.





- j. If the father (adoptive father) does not use the leave under (e), (f), (h) and (i) above, he is entitled to use 2 months leave until the 8th birthday of the child.
- k. After the use of the leave referred to above, each of the parents (adopters), provided they work under an employment relationship will be entitled upon request to use unpaid child-care leave of up to 6 months until the child becomes 8 years old. Each parent (adopter) may use up to 5 months of the other parent's (adopter's) leave, subject to the other parent's (adopter's) consent.

**Do part time employees receive any particular protection on the basis of their part-time status?**

Yes. Part time employees may not be placed at a disadvantage solely due to their part-time status compared to full-time employees who perform the same or similar work at the employer's business. Part-time employees shall enjoy the same rights and shall have the same duties as full-time employees, unless the law provides otherwise (the length of employment service, the qualifications possessed, etc.).

**Do part-time employees receive the same pro-rated terms to full time employees, e.g. in relation to pay and benefits?**

Yes. Part-time employees must receive the same basic rate of pay as comparable full-time workers. Part-time employees have the right not to be less favorably treated in their contractual terms and conditions than comparable full-time employees.

**Social security**

**What social security contributions are employers obliged to pay? Presumably, pro-rated contributions are required for part time employees?**

Employees (full-time and part-time) are socially insured for all social risks in Bulgaria – common disease and maternity, disability due to a common disease, old age or death, industrial accidents and occupational diseases, and unemployment. The total amount of social security contributions is 32.70%-33.40% on the gross remuneration, with the employer contributing 18.92%-19.62%, depending on the insurable income.

**Are employers obliged to provide health insurance to their employees?**

Yes.

**Are employees entitled to unemployment insurance/benefits following the end of employment?**

Unemployment benefits are payable to everyone who has paid social insurance contributions into the unemployment fund of the General State Insurance Fund for at least 12 months in the previous 18 months before becoming unemployed. In order to receive unemployment benefits the employee must be registered as unemployed at the Employment Agency; not to be entitled to a pension for period of social insurance or old age or an early retirement pension; not to be employed in an activity which is subject to compulsory insurance.

**Are employers obliged to provide sick leave? If yes, for how long? How many days have to be paid by employers? Is it possible to have unpaid sick leave?**

Payments for absence due to temporary disability due to illness are calculated at the rate of 80% of the average daily net remuneration for the period on which the benefit is calculated. Payments





for absence due to temporary disability due to employment injury and occupational disease are calculated at the rate of 90%, of the average daily gross labor remuneration or the average daily contributory income on which social insurance contributions have been made or are due, for the period of 18 calendar months preceding the month of occurrence of the disability.

The amount on the basis of which the cash benefits are calculated may not exceed the maximum monthly amount of the contributory income as fixed by the Public Social Insurance Budget Act for the period for which the cash benefits are determined. Currently, the maximum amount is BGN 3 400 (app. €1 700).

**Are employers obliged to provide maternity leave for employees? If yes, for how long? How many days/months have to be paid by employers? Is it possible to have unpaid maternity leave?**

Please see [above](#).

**Is paternity leave available to employees? If yes, for how long? How many days/months have to be paid by employers? Is it possible to have unpaid paternity leave?**

Please see [above](#).

**Are employers liable for absence due to work-place injuries?**

The employer is liable for detriment resulting from employment injury or occupational disease which have caused temporary disability, permanently reduced working capacity of 50% or more or death of a worker or employee, regardless of whether an authorized person of the said employer or another worker or employee is at fault for the injury.

**Are employees entitled to retirement benefits from the employer? If yes, what benefits?**

*Pension for age and length of service:*

Minimum pension for age and length of service: BGN 467 (app. €233). Maximum pension for age and length of service: BGN 3 400 (app. €1 700).

*Invalidity pension:*

The amount depends on the % of invalidity.

*Inheritance pensions:*

The heirs are entitled to a % of the pension of the diseased ensured person (from 50% in case of 1 heir to 100% in case of 3 or more heirs).

*Additional pension for the spouse of a diseased pensioner:*

26.5% of the pension of the diseased. It cannot be accumulated with inheritance pension.

Social pension for persons over 70 years old who do not receive other pension and the income of their family does not exceed the guaranteed minimum income for the country during the previous 12 months:

BGN 247 (app. €123).

*Social invalidity pension for persons over 16 years old who do not receive other pension:*





From 130% up to 160% of the social pension for persons over 70 years old, depending on the % of invalidity.

*Additional pension:*

For people born after 31.12.1959 applies an additional pension from the obligatory additional social security. The social security installments can be paid either to the National Social Security Institute or to pension insurance companies.

Along with the obligatory pension securities, there can also be a voluntary additional pension payment, which will entitle the employees to receive an additional pension.

The additional pension for persons born after 31.12.1959 is obligatory, while all socially secured persons may benefit from an additional voluntary pension, which is not mandatory by law.

The additional mandatory pension provided by the State/National Social Security Institute/or the pension insurance companies is allocated to a personal lot of the insured persons. The amount of the pension depends on the amount in the lot, the costs and expenses, the income from investment by the pension insurance companies. The insured person shall be entitled to supplementary lifelong old-age pension upon reaching the pension age or up to 1 year before reaching the pension age, provided that the accumulated amount under the individual account allows granting of a pension, in an amount no less than the minimum amount of the pension for age and length of service (please refer to viii. above). The additional mandatory pension shall be a monthly payment in an amount provided for in the pension contract, that shall be due to the pensioner from a certain date until his death, the amount of which may not be less than 15% of the minimum pension for age and length of service as of the date of its determination.

The pension insurance company shall provide the following types of additional mandatory pensions:

- a.** no additional conditions lifelong pension;
- b.** lifelong pension with a guaranteed payment period from 2 to 10 years depending on the choice of the insured person;
- c.** a lifelong pension that includes deferred payment of part of the funds

When the amount under the personal lot is insufficient for the granting of an additional lifelong old-age pension in the amount above but exceeds the threefold amount of the minimum pension for age and length of service, the insured person shall have the right to receive the amount in instalments.

When the amount under the personal lot is less than 3 times the amount of the minimum pension for age and length of service, it shall be paid to the person altogether.

When the amount under the personal lot is less than the gross amount of the contributions for the respective person, the personal lot shall be supplemented to this amount and the payment shall be determined based on it.

The monthly amount of the deferred payment as of the date of its determination may not be higher than the minimum amount of the pension for age and length of service as at the same date and less than 15% of its amount.

The amounts are personal and may be subject to inheritance.





The additional voluntary pension depends on the amount in the personal lot of the insured person. The insured person may decide whether to receive a one-time payment or monthly payments, or to limit the pension within a certain duration period.

The amounts are personal and may be subject to inheritance.

### **Are employers obliged to introduce reporting channels and legal safeguards for whistleblowers?**

The Bulgarian Parliament transposed the Whistleblowing Directive. The Bulgarian Whistleblowing Act was adopted on 27th January 2023 and was published in the State Gazette on 2nd February 2023. Whistleblowing Act is applicable to all private companies with more than 50 employees and public sector entities excluding smaller municipalities with less than 10 000 citizens. Such employers are obliged to adopt rules regulating the reporting, to create reporting channels and to organize the processing of the reporting. Irrespective of the number of the employees, certain private companies operating in the field of financial services, prevention of money laundering and financing of terrorism, transport safety, environment protection, etc., shall also comply with the requirements.

## **3 Safe and supportive work environment**

### **Broadly what measures have to be in place to ensure employers uphold health and safety? (such as fire or earthquake drills)**

Employers are responsible for ensuring the health and safety at work of their employees. The range of legal obligations placed on employers with respect to health and safety at work is extensive, with the particular obligations which apply in any given case depending on factors including the activities carried out by the company and the extent of the risks posed by those activities. Employers must assess and review the work-related risks faced by its employees.

### **Is there a requirement for an employer to issue any form of non-discrimination policies? (such as gender equality policies, equal employment opportunities, diversity, and inclusion policies, etc.)**

Employers are not generally required by law to have non-discrimination policies.

### **Is there a requirement to provide employees with training designed to combat discrimination and harassment?**

There is no such legal requirement.

### **Is there a requirement to have a data protection policy?**

The data controllers shall adopt data protection policies based on Art. 24, paragraph 2 of the GDPR.

### **Is it mandatory for employers to have a Child Protection Policy (CPP)? Are employees obliged to provide training on CPP to its employees?**

There is no such legal requirement.

## **4 Tax**

### **Which taxes are mandatory for employers to pay and deduct on behalf of their employees?**





The personal income of individuals is taxed at a flat rate of 10% of the net salary. Income tax is payable by the employer on behalf of the employee together with the payment of social insurances. Every additional payment (including bonuses) is subject to social insurance and taxes.

**Are all employee taxes deducted from the salary that the employer pays or is there a requirement for employees to pay certain taxes directly?**

All employee taxes are withheld and paid by the employer to the National Revenue Agency.

## 5 Remote work

**Are employers required to have a registered legal entity in the jurisdiction in order to employ employees in the jurisdiction?**

No, but they will need to register with the National Revenue Agency and the BULSTAT register before they start employing staff.

**Are employers required to provide any form of physical working space for employees working in your country?**

Employees may work from the company location and/or from a remote location. It must be ensured that, whatever the work location, employers ensure the health and safety of their employees. The employer shall provide the following at its own expense:

- a. the equipment needed to perform the remote work, as well as the supplies needed for its operation;
- b. the software needed;
- c. preventive maintenance and technical support;
- d. devices intended for communication with the employee working remotely, including Internet connectivity;
- e. data protection;
- f. information on and requirements for operating the equipment and keeping it in good repair, and the legal requirements and rules, including those of the enterprise in the field of data protection for data to be used in the course of the remote work;
- g. a surveillance system, where it is necessary to install one at the workplace and the employee's written consent thereto has been obtained;
- h. other technical or documentary means in accordance with the individual employment contract.

**Please provide general instructions for employers on what to check if the employer has remote employees, including concerning employee tax liabilities.**

The employer tax liabilities will be the same whether employees are working in the physical employer premises or remotely in Bulgaria.

In the event that employees are working remotely from another jurisdiction, an employer will need to assess the tax obligations that will arise in the country in which the employee is working. Whilst each jurisdiction will have different obligations in terms of the payment and deduction of taxes, the following factors are likely to be relevant: where is the employee living and working, does the







employee split their time working in different jurisdictions? What nationality is the employee? Where do they have tax residence? Where is the company for which they are working based?

## 6 What to do when things go wrong

### Dispute resolution

#### **Do employees (including volunteers) need to go through any form of dispute resolution before bringing a claim to a court or tribunal?**

No. The employees may go directly to court.

### Resignation

#### **What grounds do employees have for resignation?**

Unlike employers, employees can resign for any reason at any time with prior written notice. The termination notice in case of employment contracts for indefinite term is at least 30 days, but not more than 3 months. The termination notice in case of fixed-term employment contracts is 3 months, but not more than the outstanding term of the employment contract.

The employee has the right to terminate the contract without notice, where among others:

- 1)** the employee is unable to perform their duties by reason of illness and the employer fails to provide the employee with another suitable work conforming to the prescription of health authorities;
- 2)** the employer delays the payment of the remuneration or of a benefit under the Labour Code or under the social insurance;
- 3)** the employer changes the place or nature of work or the agreed remuneration, except in the cases where the employer has the right to make such changes, as well as where the employer fails to fulfill other obligations agreed by the employment contract;
- 4)** as a result of automatic change of the employer (as a result of merger, transfer of going concern, activity and assets, etc.), the working conditions under the new employer deteriorate substantially;
- 5)** the employee works under a fixed-term employment contract and concludes an employment contract for indefinite duration;
- 6)** the employer gives unpaid leave to the employee without their consent;
- 7)** the employee becomes entitled to a pension for social insurance length of service and age, etc.

The employment contract may be terminated by mutual agreement between the employer and the employee. The employer who has been approached by the employee with the offer is obligated to inform the employee if the offer is accepted in writing within 7 days upon receipt. Failure to do so is considered as a rejected offer.

### Termination

#### **What grounds do employers have for the termination of employment contracts?**





The employer can terminate the contract only on the grounds set out in the Labour Code. Below you may find brief information on the most common termination grounds.

- a.** Termination within the probationary period: It is possible to terminate an employment contract without cause during the probationary period (if the latter was stipulated in the employer's favor in the employment contract).
- b.** Termination upon mutual consent: the employment contract may be terminated by mutual agreement between the employer and the employee. The employee who has been approached with the offer is obligated to inform the employer in writing if the offer is accepted within 7 days upon receipt. Failure to do so is considered as rejected offer.
- c.** Termination on Employer's Initiative upon Payment of Compensation: the employer may offer the employee termination of the employment contract upon payment of a compensation. The employee has 7 days to accept the said offer and to inform the employer in writing within 7 days upon receipt. Failure to do so is considered as a rejected offer. If the employee accepts the offer, the employer owes a compensation in the amount of not less than the quadruple amount of the gross monthly labor remuneration as last received, unless the parties have agreed on a larger amount of the compensation. If the compensation is not paid within 1 month after the termination date, it is considered that the contract is not terminated.
- d.** Termination without either party being obligated to give notice to the other party: the employment may be terminated without either party being obligated to give notice to the other party among others:
  - upon expiry of the agreed term (applicable only to fixed-term employment contracts);
  - by the completion of the work as specified/usually for the completion of a specific project specified by type of work, volume of work that determine the term of the agreement; this ground is widely used in the construction business (applicable only to fixed-term employment contracts);
  - upon return to work of the replaced employee (applicable only to fixed-term employment contracts);
  - if the employee is unable to execute the work assigned thereto by reason of illness which has led to permanently reduced working capacity or because of health restrictions on the basis of the opinion of a medical expert board for working capacity certification;
  - upon death of the employee, etc.
- e.** Termination by the Employer with Written Notice: the employer may terminate the employment contract by giving the employee a written notice among others:
  - upon closure of the whole or part of the enterprise;
  - upon a reduction in the number of job positions;
  - upon reduction in the volume of work;
  - upon lay-off for more than 15 working days;





- where the employee lacks the capacity for efficient execution of the work;
  - where the employee does not possess the educational level or professional qualification required for the work executed;
  - upon refusal of the employee to relocate with the company or a division within it, in which the employee works, when the said company or division relocates to another town/village;
  - where the position occupied by the employee must be vacated for reinstatement of a wrongfully dismissed employee, who previously occupied the same position;
  - upon becoming entitled to a pension for social insurance length of service and age;
  - upon change of the requirements for execution of the position, if the worker or employee does not satisfy the said requirements,
  - the employment obligations of the employee may not be carried out due to external reasons, e.g. an expired work permit or conviction of an employee for a crime that is incompatible with the work they perform.
- f. Termination by the Employer without Notice:** the employer may terminate the employment contract without notice where among others:
- the employee is dismissed by reason of breach of discipline (disciplinary breach can be officially sanctioned within 2 months after detection of the breach by the employer but not later than 1 year after the breach was committed. Before imposing disciplinary sanction including dismissal the employer is obliged to hear the employee or to accept a written statement in relation to the respective breach/es and shall gather and assess the specified evidence);
  - the employee has been detained for in custody;
  - the employee has been disqualified, by a criminal sentence or according to an administrative procedure, from practicing a profession or from occupying the position to which the said employee has been appointed;
  - the employee is divested of the academic degree, if the contract of employment has been concluded considering the degree awarded;
  - the employee refuses to accept a suitable work offered to them upon occupational rehabilitation; etc.

### **How do employers have to document the termination of an employment contract?**

The employment contract may be terminated by the employee or the employer with notice or without notice in the cases stipulated by law. The parties may also agree on a mutual agreed termination. The employment contract may also be terminated by the employer, with payment of 4 months of gross salary.

If the termination notice period is observed, the employment contract will be deemed terminated after its expiry, alternatively the terminating party can pay compensation in lieu of an unobserved notice period.

The employment contract is terminated by a written notification to the employee, and with a termination order issued by the employer. In case of a mutual termination or a termination





initiated by the employer with payment of compensation, the termination is effected by an agreement between the parties and an order by the employer confirming the termination.

For disciplinary dismissals, the employer shall provide a deadline to the employee for submission of a written statement regarding the disciplinary dismissal. The dismissal is effected by an order.

**What is the responsibility of employers for damages incurred by an employee's actions within his/her work?**

Employers can be held liable for acts carried out by an employee in the course of their employment.





## b. Independent contractors/consultants\*

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#### *Definition of an independent contractor/consultant*

There is no legal definition of an independent contractor/consultant in Bulgaria.

*\*The term consultant will be used to also refer to independent contractors, or any other term that would mean a natural person that provides goods or services under a written contract or a verbal agreement but does not work to meet the definition of employee.*

### 1 Contracts

#### **What types of independent contractor/consultant agreements are available? Are there any specific agreements available to NGOs?**

An independent contractor/consultant agreement is deemed a service agreement that is governed by the general provisions of Bulgarian civil law. As opposed to labor contracts, the parties to an independent contractor/consultant agreement will be free to negotiate the terms and conditions for provision of the services. From a legal perspective there are no specific agreements available for NGOs.

#### **What are the main elements of consultant agreements?**

There is no statutory content of the consultant agreement. Subject to the general provisions of the Bulgarian civil laws, the consultant agreement must contain as a minimum sufficient information regarding the parties, the subject matter of the agreement (i.e., the services to be provided) and payment terms.

#### **Is it possible to have probation periods for independent contractors/consultants? If yes, for how long?**

Independent contractors/consultants agreements typically do not provide for probation periods, as the parties are free to negotiate the applicable terms, including early termination clauses, remuneration rates, etc. according to their needs.

#### **Is it possible to have a fixed term consultation/independent contractor agreement? Are there any restrictions around fixed term consultant/independent contractor agreements?**

There are no legal restrictions for the parties to a consultation/independent contractor agreement to stipulate a fixed term of the contract.





**Do independent contractor/consultant agreements have to be in writing? Are there any signatory requirements? For example, could they be signed in-person or electronically, etc.)?**

Although in theory a consultation/independent contractor agreement could be concluded verbally, for tax and accounting purposes, as well as for the sake of securing evidence of the applicable terms and conditions agreed between the parties a written form would be needed. There are no specific signatory requirements. Electronic signatures are permissible if they comply with the local and EU laws governing electronic documents and electronic signatures.

**Do all types of independent contractors/consultants have to be under contract in order to be able to work?**

Please refer to the [preceding question](#).

**Can you provide a simple template of the agreements mentioned above?**

N/A.

**Is there an obligation to run a criminal record check to the extent that any independent contractor will be working with children or vulnerable people?**

We are not aware of a legal obligation for an independent contractor who will be working with children or vulnerable people to be subject to a criminal record check. However, if some sort of public service and/or special institution for social care is concerned, there might be special requirements that need to be confirmed on a case-by-case basis.

## 2 Conditions of work for consultants

**Are there any minimum age requirements for an individual to work under a consultant/independent contractor agreement?**

The age of majority in Bulgaria is 18 years. A person aged between 14 and 18 years could potentially work under a consultant/independent contractor agreement with parental consent.

**Does a consultant/independent contractor need to obtain a license or any other permission in order to work?**

A license/permission is not required by law to work as consultant/independent contractor except for the exercise of regulated professions (e.g. lawyers, architect, dentists, etc.). The list of regulated professions in Bulgaria is accessible [here](#).

### Payment

**Are there any minimum pay requirements for consultants/independent contractors?**

There are no minimum pay requirements.

**Are there any exceptions in minimum wages for young persons or people with disabilities?**

N/A.

**Is there any requirement to provide statutory/paid leave to consultants for statutory holidays?**





There is no such requirement by law.

**Is there any requirement to pay annual leave to consultant/independent contractors? If so, how is this compensated, if at all?**

There is no such requirement by law.

**Is there an obligation to provide consultant/independent contractors with overtime? How is this compensated if required?**

There is no such requirement by law.

**Are consultants entitled to an end-of-year payment?**

There is no such requirement by law.

**Are consultants entitled to a final payment when the contract is terminated?**

There is no such requirement by law. Parties are free to contractually agree on the payment schedule under the contract.

**Working hours**

**Are consultants entitled to any type of leave, whether paid or unpaid?**

There is no such requirement by law. Parties are free to contractually agree on any type of leaves though.

**Social security**

**Does the end user engager need to make any social security contributions on behalf of a consultant/independent contractor? Are independent contractors entitled to health insurance from the end user engager?**

If the consultant/independent contractor is registered as a self-employed person, they would bear any and all responsibilities to administer and pay social security contributions. Respectively, if the consultant/independent contractor is not registered as a self-employed person the payer of the remuneration (the end user engager) shall make and administer the social security contributions on behalf of a consultant/independent contractor.

**Are independent contractors/consultants entitled to unemployment insurance/benefits after termination of their independent contractor/consultancy agreement from the end user engager?**

Working solely as independent contractors/consultants would not give entitlement to unemployment insurance/benefits payable by the state social security funds.

**Are independent contractors/consultants entitled to sick leave from the end user engager? If yes, for how long? How many days have to be paid?**

An independent contractors/consultants would not be entitled to sick leave from the end user engager (unless explicitly stipulated). If however the independent contractor/consultant has opted to pay social security contributions for temporary work incapacity and maternity, they will be entitled to sick leave compensation from the state budget subject to the provisions of the Bulgarian Social Security Code.





**Are independent contractors/consultants entitled to maternity leave from the end user engager? If yes, for how long? How many days/months have to be paid?**

Please refer to the [question above](#). Subject to the provisions of the Bulgarian Social Security Code, maternity leave compensation could be paid by the state budget for childbirth up to 410 days and for taking care of a child until the age of 2 years.

**Are independent contractors/consultants entitled to paternity leave from the end user engager? If yes, for how long? How many days/months should be paid?**

Please refer to the [question above](#). The duration of the paternity leave entitlements would in principle depend on the amount of the (un)used maternity leave entitlements.

**Are employers obliged to cover work-place injuries for independent contractors/consultants?**

While employers are obliged to cover risks related to work-place injuries of an employee, independent contractor/consultant shall only be covered for permanent disability as a result of general sickness.

**Are independent contractors/consultants entitled to retirement benefits from the end user? If yes, what benefits?**

Independent contractors/consultants would be entitled to retirement benefits from the state social security system subject to the provisions of the Bulgarian Social Security Code.

### 3 Safe and supportive work environment

**Are there any differences in terms of the regime that applies to employees?**

Yes, the mandatory requirements for provision of safe work environment with respect to an independent contractor are significantly less demanding. Insofar as a consultant is not supposed to permanently work in the premises of the engager (as opposed to employees), they would be treated as a visitor from the standpoint of the Bulgarian Act on Health & Safety Working Conditions.

### 4 Remote work

**Are end user engagers required to have a registered legal entity in the jurisdiction in order to hire independent contractors/consultants there?**

A foreign legal entity could engage a contractor in Bulgaria, it is not necessary to incorporate a local legal entity.

### 5 What to do when things go wrong

#### Resignation

**Do consultants/independent contractors need a reason to terminate the contract or can they terminate it for any reason in accordance with the terms of the contract?**

Parties to the consultant agreement are free to agree on the termination grounds. Consultants/independent contractors can terminate their contract in accordance with the terms of the contract and/or the general provisions of the civil law, in the absence of contractual provisions in this regard.







## **Termination of agreement**

### **What grounds do end user engagers have for the termination of consultant agreements?**

Please refer to the question [above](#).

### **What is the responsibility of the end user engagers for damages incurred by a consultant's actions within his/her work?**

Subject to the general provisions of the Bulgarian civil law, the end user engagers shall be liable for the damages incurred by the consultant's actions within their work or with regard to the performance of their work for the user engager.





## c. Volunteers

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#### *Definition of a volunteer*

A volunteer is legally defined a person who participates in a voluntary formation for the prevention or mitigation of disasters, fires and emergency situations and elimination of their consequences. There is no legal definition with respect to volunteers engaged in projects/events.

Youth voluntary activity is legally defined as a socially useful activity performed free of charge by young people on the territory of the Republic of Bulgaria or in another country under programs and initiatives in the field of social, youth, sports and other socially significant activities.

### 1 Contracts

#### **Are organizations required to sign any form of agreement with volunteers?**

In case of volunteers in disasters the conclusion of a written contract is required by law. Apart from that there are no specific legal provisions regulating the form of the agreement with volunteers.

In case of youth voluntary activity upon the request of the volunteer the organizations shall issue a certificate attesting to their participation.

### 2 Conditions of employment

#### **Is there a minimum age requirement for volunteers?**

According to the law a person who has reached the age of 16 and has not reached the age of 18 can be trained as a volunteer without performing specific tasks in the prevention or mitigation of disasters, fires and emergency situations and elimination of their consequences.

Apart from that, the general provisions of civil law apply i.e., a minor aged between 14 to 18 shall only be able to volunteer with a written parental consent and following the majority age of 18 the person must not be subject to limitation of their legal capacity due to mental illness to legally engage in volunteering.

#### **What type of volunteering work may a child undertake? Are there any restrictions around this?**

Please refer to the question [above](#) with respect to the legal capacity of a child to engage in volunteering work.





Underage volunteers may not be assigned activities that are prohibited or restricted for certain categories of persons due to the severe, harmful, or dangerous impact on their mental or physical health according to the applicable legislation. When youth volunteer activities are carried out by underage volunteers, the organizer of the activity must provide them with a qualified adult supervisor.

Volunteering work undertaken by a child must also comply with the Childcare Act, the Act on the Political Parties and the Act on the Individual and the Family.

### **Payments and reimbursement**

#### **Are organizations allowed to pay stipends to volunteers?**

Payment of stipends to volunteers is not prohibited by the law. Payments to volunteers engaged in environmental disasters are regulated by the underlying legislation.

#### **Are organizations allowed to reimburse volunteers? If yes, for what expenses (such as transportation, food, etc.).**

Yes, insofar as this is not prohibited by the law. Payments to volunteers engaged in environmental disasters are regulated by the underlying legislation.

### **Working hours**

#### **Are there any obligations around how many hours volunteers can work?**

We are not aware of such legislation.

#### **Are volunteers entitled to any type of leave?**

A volunteer who is working in a disaster zone will be entitled to statutory paid leave for the period of the volunteering work if they are working under a labor contract.

### **Social security**

#### **Are organizations obliged to pay any social security contributions on behalf of their volunteers?**

Volunteers engaged in disasters shall be insured for temporary disability due to general illness and death in accordance with the Bulgarian Social Insurance Code, and the insurance contributions for social and health insurance are entirely at the expense of the state budget.

There are no specific legal provisions apart from that. However, if volunteers are paid remuneration for their work the rules applicable to the social security payments of the independent contractors may apply (see question 2 f. i. under independent contractors/consultants).

#### **Are organizations obliged to provide health insurance to volunteers?**

Apart from the requirements for payment of social security contributions to the volunteers working in disasters zones outlined above, we are not aware of a legal obligation for the organizations obliged to provide health insurance to volunteers.

#### **Are organizations liable for absences of volunteers due to work-place injuries?**

We are not aware of such legislation.





### 3 Safe and supportive work environment

#### **Are there any differences in terms of the regime that applies to employees?**

Yes, the mandatory requirements for provision of safe work environment with respect to a volunteer are significantly less demanding. Insofar as a volunteer is not supposed to permanently work in the premises of the organization (as opposed to employees), they would be treated as a visitor from the standpoint of the Bulgarian Act on Health & Safety Working Conditions.

There are some specific requirements for training and provision of protective equipment with respect to volunteers engaged in protection against disasters.

### 4 Tax

#### **Are organizations obliged to pay taxes if they pay their volunteers stipends? If yes, what types of taxes are mandatory to pay?**

Subject to the general provisions of the Bulgarian tax law personal income tax shall be levied with respect to any remuneration paid against work. Exceptions may apply with respect to stipends paid for learning/specialization in Bulgaria or abroad.

### 5 What to do when things go wrong

#### **What grounds do organizations have for the termination of volunteer agreements/arrangements?**

Subject to the general provisions of the Bulgarian civil law the organization and the volunteer are free to agree on the termination grounds.

#### **What is the responsibility of organizations for damages incurred by a volunteer's actions within his/her work?**

Subject to the general provisions of the Bulgarian civil law, the organization shall be liable for the damages incurred by the volunteers' actions within their work or with regard to the performance of their work for the organization.





## d. Non-citizen employees and consultants, including refugees and others forcibly displaced

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### 1 Status and the right to work

#### **Are employers obliged to secure legal status for their employees or consultants if they are non-citizens? (such as refugee status, humanitarian visas, visas for trafficking survivors, other recognized protection statuses, etc.)**

Yes, save for EU nationals. Employment of third country nationals illegally residing in the territory of the Republic of Bulgaria is prohibited.

#### **Are employers obliged to secure work permits for their employees or consultants?**

Upon hiring or upon employing a worker who is a third country national, the employer must require said worker to present a valid document of lawful residence, a notarized copy whereof shall be kept with the employer for the duration of employment or admission.

#### **Is it always necessary to obtain a work permit?**

Third-country nationals will only be able to work in Bulgaria if they have been granted an appropriate long-term residence permit, which incorporates work permit.

#### **Can asylum-seekers and other persons forcibly displaced access the right to work if they do not have refugee status or other recognized protection statuses?**

Asylum-seekers who entered the territory of Bulgaria with no international biometric passport shall immediately apply for international protection or asylum.

If proceedings are not completed within three months of filing the application for international protection due to reasons beyond the foreigner's control the latter is entitled to access to the labor market.

### 2 Contracts

#### **Are employment contracts or consultant agreements for non-citizens different to those for citizens?**

No.





### 3 Conditions of employment

**Does national law regulate the quotas for the number of non-citizens within one organization?**

The total number of third country nationals with long-term residence permits having worked for a local employer in the preceding 12 months shall not exceed 20% of the average size of the workforce hired on an employment contract during that time, or 35% in the case of small or medium-sized businesses.

**Are employers obliged to report about employed non-citizens?**

Yes. Within 7 days from the date on which the third country national actually commences work, the employer must notify thereof the Labour Inspectorate Agency.

**Are there any other differences in conditions of employment for non-citizens and citizens?**

No.

**Are there any specific employment terms that apply to citizens but not apply to non-citizens?**

No.

### 4 Safe and supportive work environment

**Are there any differences in a safe and supportive work environment approach for non-citizens? If yes, please elaborate here.**

No.

**Does the employer have additional obligations for non-citizens?**

No.

### 5 What to do when things go wrong?

**Is the process of termination of an employment contract for non-citizens different than for citizens? If yes, please explain here.**

No, although the employer must report the termination of employment to the Employment Agency within 3 days of the termination date.

**Is the process of resignation for non-citizens different than for citizens? If yes, please explain here.**

No, although the employer must report the termination of employment to the Employment Agency within 3 days of the termination date.

**Are non-citizens entitled to the equal protection of employment laws in the event of employment-related disputes?**

Yes.





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